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LEGISLATIVE HISTORY

Public Law 85-912
H. R. 13580

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Index and summary of H. R. 13580

July 29, 1958	Rep. Mills introduced H. R. 13580 and Rep. Reed introduced H. R. 13581 which were referred to the House Ways and Means Committee. Print of bills as introduced.
July 30, 1958	House committee ordered H. R. 13580 reported.
Aug. 1, 1958	House committee reported H. R. 13580 without amendment. H. Report No. 2353. Print of bill and report.
Aug. 5, 1958	House began debate on H. R. 13580.
Aug. 6, 1958	House passed H. R. 13580 without amendment.
	H. R. 13580 was referred to the Senate Finance Committee. Print of bill as referred.
Aug. 15, 1958	Senate committee reported H. R. 13580 with amendments. S. Report No. 2389. Print of bill and report.
Aug. 22, 1958	Senate passed H. R. 13580 as reported.
Aug. 23, 1958	House agreed to Senate amendments to H. R. 13580.
Sept. 2, 1958	Approved: Public Law 85-912.

DIGEST OF PUBLIC LAW 85-912

PERMANENT INCREASE IN PUBLIC DEBT LIMIT. Amends Sec. 21 of the Second Liberty Bond Act so as to provide for a permanent increase in the public debt limit from $275 billion to $283 billion. (Public Law-336, approved January 26, 1958, provided that the public debt limit set forth in Sec. 21 shall be temporarily increased by $5 billion until June 30, 1959).

85TH CONGRESS
2D SESSION

H. R. 13580

IN THE HOUSE OF REPRESENTATIVES

JULY 29, 1958

Mr. MILLS introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To increase the public debt limit.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That section 21 of the Second Liberty Bond Act, as amended (31 U. S. C., sec. 757b), is amended to read as follows:

"SEC. 21. The face amount of obligations issued under authority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate $285,000,000,000 outstanding at any one time. The current redemption value of any obligation issued on a discount basis

which is redeemable prior to maturity at the option of the holder thereof shall be considered, for the purposes of this section, to be the face amount of such obligation."

SEC. 2. During the period beginning on the date of the enactment of this Act and ending on June 30, 1960, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended by the first section of this Act, shall be temporarily increased by $3,000,000,000.

SEC. 3. The Act entitled "An Act to provide for a temporary increase in the public debt limit", approved February 26, 1958 (Public Law 85–336; 72 Stat. 27), is hereby repealed.

85TH CONGRESS
2D SESSION

H. R. 13580

A BILL

To increase the public debt limit.

By Mr. MILLS

JULY 29, 1958
Referred to the Committee on Ways and Means

85TH CONGRESS
2D SESSION

H. R. 13581

IN THE HOUSE OF REPRESENTATIVES

JULY 29, 1958

MR. REED introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To increase the public debt limit.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 21 of the Second Liberty Bond Act, as amended (31 U. S. C., sec. 757b), is amended to read as follows:

"SEC. 21. The fact amount of obligations issued under authority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate $285,000,000,000 outstanding at any one time. The current redemption value of any obligation issued on a discount basis

which is redeemable prior to maturity at the option of the holder thereof shall be considered, for the purposes of this section, to be the face amount of such obligation."

SEC. 2. During the period beginning on the date of the enactment of this Act and ending on June 30, 1960, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended by the first section of this Act, shall be temporarily increased by $3,000,000,000.

SEC. 3. The Act entitled "An Act to provide for a temporary increase in the public debt limit", approved February 26, 1958 (Public Law 85–336; 72 Stat. 27), is hereby repealed.

85TH CONGRESS
2D SESSION

H. R. 13581

A BILL

To increase the public debt limit.

By Mr. REED

JULY 29, 1958
Referred to the Committee on Ways and Means

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 31, 1958
For actions of July 30, 1958
85th-2d, No. 129

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HIGHLIGHTS: See page 6.

HOUSE

1. AGRICULTURE COMMITTEE reported the following bills: (p. 14339)
   S. 479, without amendment, to grant a 50-year right-of-way for a water pipeline across the Lincoln National Forest (H. Rept. 2305);
   S. 1245, without amendment, to provide a right-of-way to the city of Alamogordo, N. Mex., across the Lincoln National Forest (H. Rept. 2306);
   S. 3439, without amendment, to reconvey to Salt Lake City the Forest Service Fire Warehouse lot in that city (H. Rept. 2307);
   H. R. 8481, without amendment, to extend the forestry provisions of the Agricultural Act of 1956 to Hawaii (H. Rept. 2308);
   H. R. 11056, without amendment, to amend the Agricultural Marketing Agreement Act so as to extend restrictions on certain imported citrus fruits, dried fruits, and nuts (H. Rept. 2309);
   H. R. 13257, without amendment, to authorize the Secretary to exchange lands comprising the Pleasant Grove Administrative Site, Unita National Forest, Utah, with a Pleasant Grove, Utah, church (H. Rept. 2310).
   H. R. 13268, without amendment, to authorize CCC to purchase flour and cornmeal for donation instead of having such products processed from its own stocks (H. Rept. 2317).

2. MEATPACKERS. Rep. McCormack announced that H. R. 9020, to transfer certain functions under the Packers and Stockyards Act from USDA to FTC, will not be considered this week, but that he "will try to program it before the end of the session." p. 14291

3. COTTON. The "Daily Digest" states the Subcommittee on Cotton of the Agriculture Committee "met in executive session on provisions relating to cotton on S. 407 re marketing programs for various agricultural commodities, and ordered reported to the full committee certain amendatory recommendations of the bill." p. D762

4. FORESTRY. The Interior and Insular Affairs Committee reported with amendment S. 1748, to add certain lands in Ida. and Wyo. to the Caribou and Targhee National Forests (H. Rept. 2320). p. 14339

5. DESERT-LAND ENTRIES. The Interior and Insular Affairs Committee reported with amendment S. 359, to permit desert land entries on disconnected tracts of land aggregating less than 320 acres and form a compact unit (H. Rept. 2324). p. 14339

6. MINERALS. The Interior and Insular Affairs Committee reported with amendment S. 4036, to provide stabilization payments to certain minerals producers (H. Rept. 2329). p. 14339

7. TRANSPORTATION. The Merchant Marine and Fisheries Committee ordered reported with amendment H. R. 8382, to provide for the licensing of independent foreign freight forwarders. p. D763

Passed with amendment H. R. 12751, to extend the provisions of the Shipping Act of 1916 relating to dual rate contract arrangements. Inserted the language of the bill as passed for that of a similar bill, S. 3916. H. R. 12751 was laid on the table. pp. 14322-25, 14333-34

8. ELECTRIFICATION. The Public Works Committee ordered reported S. 1869, to provide TVA with the authority to issue bonds to finance the construction of new generating capacity. p. D763

Rep. Christopher inserted a letter from Julius Helm of the Mo. State Rural Electrification Assoc. commending him for supporting rural electrification and Federal power programs. p. 14326

8. PUBLIC DEBT. The Ways and Means Committee ordered reported H. R. 13580, to increase the public debt limit. p. D763

Rep. Patman inserted the text of his testimony before the H. Ways and Means Committee opposing an increase in the public debt limit "without safeguards against using this authority in imprudent ways which will have unnecessarily bad effects." pp. 14335-37

9. PERSONNEL. Conferees were appointed on S. 1411, to give agencies discretion in suspending or retaining on duty Federal employees prior to security hearings. Senate conferees have been appointed. p. 14290

Received from the Department of Interior a proposed bill "to permit variation of the 40-hour workweek of Federal employees for educational purposes"; to Post Office and Civil Service Committee. p. 14339

10. WHEAT PENALTIES. Rep. Hoffman inserted a newspaper editorial, "A Farmer Fights Wheat Penalties," discussing the case of a Mich. farmer "getting national attention because of his resistance to penalties imposed on him for violating commercial wheat quotas established" by this Department. p. 14314

16. PUBLIC DEBT. The Ways and Means Committee reported without amendment H. R. 13580, to increase the public debt limit to $285 billion (H. Rept. 2353). p. 14542

17. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendment H. R. 8742, to provide a 2-year statute of limitations on actions involving transportation of property and passengers of the U. S. Government (H. Rept. 2346). p. 14542

18. MINERAL LANDS. The Interior and Insular Affairs Committee reported without amendment S. 2517, to authorize the States to choose mineral lands in making selections in lieu of sections of public lands occupied before State claims were made (H. Rept. 2347). p. 14542

19. ELECTRIFICATION. The Public Works Committee reported without amendment S. 1869, to provide TVA with the authority to issue bonds to finance the construction of new generating capacity (H. Rept. 2350). p. 14542

20. RADIO FREQUENCIES. The Interstate and Foreign Commerce Committee was granted permission until midnight Sat., to file a report on S. J. Res. 106, to establish a commission to investigate the utilization of the radio and television frequencies allocated to agencies and instrumentalities of the Federal Government. p. 14540

21. IMPORTS. Received the conference report on H. R. 6006, to provide for greater certainty, speed, and efficiency in the enforcement of the Antidumping Act (H. Rept. 2352). pp. 14539-40, 14542

22. HOUSING. The Banking and Currency Committee was granted permission until midnight Sat., to file a report on S. 4035, the omnibus housing bill. p. 14520

23. FARM AID. Rep. Judd inserted the results of a questionnaire he had sent to his constituents relating to aid to farmers, foreign aid, balanced budget, etc. pp. 14531-34

24. FOREIGN TRADE. Received from the State Department a report on foreign trade and a supplement, "Statistical Review of East-West Trade 1956-57." p. 14541

25. ACCOUNTING. Received from the Treasury a report of the Bureau of Accounts covering restoration of balances withdrawn from appropriation and fund accounts under the control of Treasury. p. 14541

26. LEGISLATIVE PROGRAM. Rep. McCormack announced the following legislative program: Mon., Aug. 4: Consent Calendar and the following bills to be considered under suspension of the rules: S. 4071, the farm bill, H. R. 8382, the freight forwarder bill, H. R. 474, coordination of forwarding and servicing of water-borne export and import foreign commerce, H. R. 11056, import restrictions on fruits and nuts, and S. J. Res. 106, investigation of radio and television frequencies; Tues. : H. R. 13580, increase in public debt limit, if a rule is granted; Wed., and remainder of week, if rules are granted, S. 4035, the housing bill, S. 3683, the area redevelopment bill, and H. R. 13247, the education bill. He also stated that he did not know whether or not H. R. 9521, relating to use of chemical preservatives on food, would be considered this session since it was a controversial bill.

27. ADJOURNED until Mon., Aug. 4. p. 14541

ITEMS IN APPENDIX

28. FORESTRY; MINERALS. Extension of remarks of Sen. Neuberger discussing progress being made under Public Law 167, 84th Cong., the Multiple Surface Use Act and inserting 2 articles reporting on a test case. p. A6902

29. SMALL BUSINESS. Sen. Sparkman inserted an article, "Aid for Small Business," which "highlights three separate moves on the small-business front." p. A6906

30. ALASKA. Del. Bartlett inserted a speech describing the land situation in Alaska. pp. 6910-2

31. EXPENDITURES. Sen. Thurmond stated that "one of the greatest threats to the security of this Nation lies in the danger that the Federal Government will spend itself into a state of collapse," and inserted an article on this subject. p. A6915

32. ST. LAWRENCE SEAWAY. Rep. Dorn inserted two editorials describing the effect of the opening of the seaway on the port of New York. pp. A6923-4, A6927-8

33. SOCIAL SECURITY. Speech in the House by Rep. Dooley favoring H. R. 13459, to increase certain benefits under the Social Security Act. pp. A6928-9

BILLS INTRODUCED

34. ETHICS. S. 4223, by Sen. Case, to promote public confidence in the integrity of Congress and the executive branch; to Rules and Administration Committee. Remarks of author. p. 14496-8

35. MONOPOLIES. S. 4224, by Sen. Long, to require the filing of evidentiary briefs by the United States in connection with the entry of consent decrees, judgments, and orders in civil antitrust actions; to Judiciary Committee.

BILLS APPROVED BY THE PRESIDENT

36. FORESTRY. H. R. 12161, which authorizes the Secretary, upon the request of local governments, to designate areas (not to exceed 640 acres) of national-forest land, or land administered by him under Title III of the Bankhead-Jones Farm Tenant Act, as townsites. Authorizes him to divide such areas into town lots to be offered at public sale to the highest bidder for not less than appraised value. Provides that lots offered at a public sale for which there is no satisfactory bid may be disposed of at private sale for not less than the appraised value; persons occupying such lands on which improvements have been constructed by him or his predecessor shall be given the opportunity to purchase the offered lands at appraised value; and no more than three town lots may be sold to any person or private corporation, firm, or agency. Approved July 31, 1958 (Public Law 85-569, 85th Congress).

37. FOOT-AND-MOUTH DISEASE RESEARCH. S. 3076, authorizes the carrying or shipment of foot-and-mouth disease virus under adequate safeguards of packaging and handling across the U. S. mainland either to or from the Plum Island laboratory. Approved July 31, 1958 (Public Law 85-573, 85th Congress).

38. APPROPRIATIONS. H. J. Res. 672, which makes temporary appropriations until August 31, 1958, to various agencies until their regular 1959 appropriation bills are enacted. Approved July 31, 1958 (Public Law 85-572, 85th Congress).

85TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 2353

INCREASE IN PUBLIC DEBT LIMIT

AUGUST 1, 1958.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MILLS, from the Committee on Ways and Means, submitted the following

REPORT

[To accompany H. R. 13580]

The Committee on Ways and Means, to whom was referred the bill (H. R. 13580) to increase the public debt limit, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

SUMMARY

Section 21 of the Second Liberty Bond Act, as amended, provides a permanent limit of $275 billion on the amount of public debt securities which may be outstanding at any one time. In passing H. R. 9955 (Public Law 85–336) in January of this year, the Congress provided that this limit would be increased to $280 billion for the period ending June 30, 1959, after which time the debt limit will revert to the permanent $275 billion.

The bill provides that the existing permanent debt limit be raised from $275 billion to $285 billion and that, in addition, the limit be temporarily raised to $288 billion through June 30, 1960. These are the increases recommended by the Secretary of the Treasury.

GENERAL STATEMENT

The action taken by the Congress in January was designed to provide the Treasury with a prudent margin in debt capacity to provide adequate cash balances in the face of irregular tax receipts during the year and to provide an extra borrowing authority for more flexible debt management. At the time of this action in January, it was estimated by the administration that the budgets for the fiscal years 1958 and 1959 would be approximately in balance. The recession which began in the latter part of 1957 cut deeply into expected revenues and also required the adoption of additional expenditure

TABLE 1.—*Actual cash balance and debt, January to June 1958, and forecast July 1958 to June 1959, based on constant operating cash balance of $3.5 billion (excluding free gold)*

[Based on tentative estimates, subject to revision]

[In billions]

	Operating balance, Federal Reserve banks and depositaries (excluding free gold)	Public debt subject to limitation	Allowance to provide flexibility in financing and for contingencies	Total public debt limitation required
Actual:				
1958—Jan. 15	$1.7	$274.1		
Jan. 31	2.2	274.2		
Feb. 15	1.7	274.0		
Feb. 28 [1]	3.4	274.3		
Mar. 15	2.8	275.3		
Mar. 31	5.1	272.3		
Apr. 15	5.0	274.9		
Apr. 30	5.2	274.7		
May 15	4.6	274.6		
May 31	5.1	275.3		
June 15	3.3	274.9		
June 30	8.6	276.0		
Estimated:				
1958—July 15 (actual)	5.5	275.2		
July 31	3.5	275.2	$3.0	$278.2
Aug. 15	3.5	276.5	3.0	279.5
Aug. 31	3.5	276.8	3.0	279.8
Sept. 15	3.5	277.6	3.0	280.6
Sept. 30	3.5	275.6	3.0	278.6
Oct. 15	3.5	278.6	3.0	281.6
Oct. 31	3.5	279.7	3.0	282.7
Nov. 15	3.5	280.5	3.0	283.5
Nov. 30	3.5	280.8	3.0	283.8
Dec. 15	3.5	283.0	3.0	286.0
Dec. 31	3.5	281.9	3.0	284.9
1959—Jan. 15	3.5	283.3	3.0	286.3
Jan. 31	3.5	283.3	3.0	286.3
Feb. 15	3.5	284.2	3.0	287.2
Feb. 28	3.5	283.4	3.0	286.4
Mar. 15	3.5	284.8	3.0	287.8
Mar. 31	3.5	281.5	3.0	284.5
Apr. 15	3.5	283.4	3.0	286.4
Apr. 30	3.5	284.5	3.0	287.5
May 15	3.5	284.9	3.0	287.9
May 31	3.5	285.2	3.0	288.2
June 15	3.5	287.2	3.0	290.2
June 30	3.5	283.0	3.0	286.0

[1] Statutory debt limitation of $275 billion was temporarily increased on Feb. 26, 1958, to $280 billion until June 30, 1959.

NOTE.—When the 15th of a month falls on Saturday or Sunday, the figures relate to the following business day.

Source: Treasury Department.

TABLE 2.—*Debt limitation under sec. 21 of the 2d Liberty Bond Act, as amended*

Act	History of legislation	Amount
	1917	
Sept. 24, 1917	Sec. 1 (40 Stat. 288) authorized bonds in the amount of	[1] $7, 538, 945, 400
	Sec. 5 (40 Stat. 290) authorized certificates of indebtedness outstanding (revolving authority)	[2] 4, 000, 000, 000
	1918	
Apr. 4, 1918	Amending sec. 1 (40 Stat. 502) increased bond authority to	[1] 12, 000, 000, 000
	Amending sec. 5 (40 Stat. 504) increased authority for certificates outstanding to	[2] 8, 000, 000, 000
July 9, 1918	Amending sec. 1 (40 Stat. 844) increased bond authority to	[1] 20, 000, 000, 000
	1919	
Mar. 3, 1919	Amending sec. 5 (40 Stat. 1311) increased authority for certificates outstanding to	[2] 10, 000, 000, 000
	New sec. 18 added (40 Stat. 1309) authorized notes in the amount of	[1] 7, 000, 000, 000
	1921	
Nov. 23, 1921	Amending sec. 18 (42 Stat. 321) increased note authority to outstanding (establishing revolving authority)	[2] 7, 500, 000, 000
	1929	
June 17, 1929	Amending sec. 5 (46 Stat. 19) authorized Treasury bills in lieu of certificates of indebtedness, no change in limitation for the outstanding	[2] 10, 000, 000, 000
	1931	
Mar. 3, 1931	Amending sec. 1 (46 Stat. 1506) increased bond authority to	[1] 28, 000, 000, 000
	1934	
Jan. 30, 1934	Amending sec. 18 (48 Stat. 343) increased authority for notes outstanding to	[2] 10, 000, 000, 000
	1935	
Feb. 4, 1935	Amending sec. 1 (49 Stat. 20) limited bonds outstanding (establishing revolving authority to	[2] 25, 000, 000, 000
	New sec. 21 added (49 Stat. 21) consolidated authority for certificates and bills (sec. 5) and authority for notes (sec. 18); same aggregate amount outstanding	[2] 20, 000, 000, 000
	New section 22 added (49 Stat. 21) authorized United States savings bonds within authority of sec. 1.	
	1938	
May 26, 1938	Amending secs. 1 and 21 (52 Stat. 447) consolidated in sec. 21, authority for bonds, certificates of indebtedness, Treasury bills and notes (outstanding bonds limited to $30,000,000,000); same aggregate total outstanding	[2] 45, 000, 000, 000
	1939	
July 20, 1939 (53 Stat. 1071)	Amending sec. 21 removed limitation on bonds without change total authorized outstanding of bonds, certificates of indebtedness, Treasury bills and notes	[2] 45, 000, 000, 000

See footnotes at end of table, p. 00.

TABLE 2.—*Debt limitation under sec. 21 of the 2d Liberty Bond Act, as amended*—Continued

Act	History of legislation	Amount
	1940	
June 25, 1940 (54 Stat. 526)	Sec. 302, sec. 21 of the Second Liberty Boud Act, as amended, is hereby further amended by inserting "(a)" after "21." and by adding at the end of sucb section a new paragraph as follows: "(b) In addition to tbe amount autborized by the preceding paragraph of this section, any obligations autborized by sections 5 and 18 of this Act, as amended, not to exceed in the aggregate $4,000,000,000 outstanding at any one time, less any retirements made from tbe special fund made available under section 301 of the Revenue Act of 1940, may be issued under said sectious to provide the Treasury with funds to meet any expenditures made, after June 30, 1940, for the national defense, or to reimburse tbe general fund of the Treasury therefor, any such obligations so issued shall be designated 'National Defense Series'."	[3] 4, 000, 000, 000
	1941	
Feb. 19, 1941 (55 Stat. 7)	Amending sec. 21 to read: "*Provided*, That the face amount of obligations issued under the authority of this Act shall not exceed in the aggregate $65,-000,000,000 outstanding at any one time." Eliminates separate authority for $4,000,000,000 of National Defense Series obligations	[2] 65, 000, 000, 000
	1942	
Mar. 28, 1942 (56 Stat. 189)	Amending sec. 21, increasing limitation to $125,000,-000,000	[2] 125, 000, 000, 000
	1943	
Apr. 10, 1943 (57 Stat. 63)	Amending sec. 21, increasing limitation to $210,000,-000,000	[2] 210, 000, 000. 000
	1944	
June 9, 1944 (58 Stat. 272)	Amending sec. 21, increasing limitation to $260,000,-000,000	[2] 260, 000, 000, 000
	1945	
Apr. 3, 1945 (59 Stat. 47)	Amending sec. 21 to read: "The face amount of obligations issued uuder autbority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guarauteed obligations as may be held by tbe Secretary of the Treasury), sball uot exceed in the aggregate $300,000,000,000 outstanding at any one time."	[2] 300, 000, 000. 000
	1946	
June 26, 1946 (60 Stat. 316)	Auending sec. 21, decreasing limitation to $275,-000,000,000 and adding, "the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder tbereof shall be considered, for the purposes of this section, to be tbe face amount of such obligation"	[2] 275, 000, 000, 000
	1954	
Aug. 28, 1954 (68 Stat. 895)	Amending sec. 21, effective Aug. 28, 1954, and euding June 30, 1955, temporarily increasing limitation by $6,000,000,000 to	[2] 281, 000, 000, 000
	1955	
June 30, 1955 (69 Stat. 241)	Amending Aug. 28, 1954, act, by extending until June 30, 1956, increase iu limitation to	[2] 281, 000, 000, 000
	1956	
July 9, 1956 (70 Stat. 519)	Amending act of Aug. 28, 1954, temporarily increasing limitation by $3,000,000,000, for period beginning on July 1, 1956, and ending on June 30, 1957, to	[2] 278, 000, 000, 000

See footnotes at end of table, p. 00.

TABLE 2.—*Debt limitation under sec. 21 of the 2d Liberty Bond Act, as amended*—Continued

Act	History of legislation	Amount
	1957	
Feb. 26, 1958 (72 Stat. 27).....	Effective July 1, 1957; temporary increase terminates and limitation reverts, under act of June 26, 1946, to	[2] 275,000,000,000
	1958	
	Amending sec. 21, effective January 1958, and ending June 30, 1959, temporarily increasing limitation by $5,000,000,000 to.....	[2] 280,000,000,000

[1] Limitation on issue.
[2] Limitation on outstanding.
[3] Limitation on issues less retirements.

Source: Treasury Department.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 21 OF THE SECOND LIBERTY BOND ACT, AS AMENDED

(31 U. S. C., sec. 757b)

SEC. 21. The face amount of obligations issued under authority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate [$275,000,000,000] *$285,000,000,000* outstanding at any one time. The current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder thereof shall be considered, for the purposes of this section, to be the face amount of such obligation.

ACT OF FEBRUARY 26, 1958

Public Law 85–336, 85th Congress (72 Stat. 27)

[AN ACT To provide for a temporary increase in the public debt limit

[*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That, during the period beginning on the date of the enactment of this Act and ending on June 30, 1959, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended, shall be temporarily increased by $5,000,000,000.]

Union Calendar No. 993

85TH CONGRESS
2D SESSION

H. R. 13580

[Report No. 2353]

IN THE HOUSE OF REPRESENTATIVES

JULY 29, 1958

Mr. MILLS introduced the following bill; which was referred to the Committee on Ways and Means

AUGUST 1, 1958

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

---

A BILL

To increase the public debt limit.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 21 of the Second Liberty Bond Act, as amended (31 U. S. C., sec. 757b), is amended to read as follows:

"SEC. 21. The face amount of obligations issued under authority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate $285,000,000,000 outstanding at any one time. The current redemption value of any obligation issued on a discount basis

which is redeemable prior to maturity at the option of the holder thereof shall be considered, for the purposes of this section, to be the face amount of such obligation."

SEC. 2. During the period beginning on the date of the enactment of this Act and ending on June 30, 1960, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended by the first section of this Act, shall be temporarily increased by $3,000,000,000.

SEC. 3. The Act entitled "An Act to provide for a temporary increase in the public debt limit", approved February 26, 1958 (Public Law 85–336; 72 Stat. 27), is hereby repealed.

Union Calendar No. 993

85TH CONGRESS
2D SESSION

H. R. 13580

[Report No. 2353]

A BILL

To increase the public debt limit.

By Mr. MILLS

JULY 29, 1958

Referred to the Committee on Ways and Means

AUGUST 1, 1958

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 6, 1958
For actions of August 5, 1958
85th-2d, No. 133

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HIGHLIGHTS: House debated bill to increase public debt limit. House and Senate committees reported bill to facilitate USDA insured loans. Rep. Mathews urged passage of House committee farm bill. House subcommittee ordered reported bill for transfer of employees to international organizations. Senate committee reported foreign aid appropriation bill.

HOUSE

1. PUBLIC DEBT. Debated H. R. 13580, to increase the public debt limit to $285 billion. At the request of Rep. McCormack a vote on the bill was postponed until today, Aug. 6. pp. 14880, 14883-89, 14889-910, ~~14946~~

2. FARM LOANS. The Agriculture Committee reported with amendment H. R. 10965, to improve the insured-loans program under Title I of the Bankhead-Jones Farm Tenant Act (H. Rept. 2447). p. 14946

3. PERSONNEL. A subcommittee of the Post Office and Civil Service Committee ordered reported S. 4004, to encourage transfers of Federal employees for service with international organizations. p. D799

4. MILITARY CONSTRUCTION. Received the conference report on H. R. 13015, the military construction authorization bill (H. Rept. 2429). As reported by the conferees the bill limits the number of houses which may be contracted for with the use of foreign currencies accumulated under Public Law 480 to 4,000 units. pp. 14866-79, 14946

5. TRANSPORTATION; TRAVEL. Passed under suspension of the rules S. 377, to provide a 2-year statute of limitations on actions involving transportation of property and passengers of the U. S. Government. Substituted the language of H. R. 8742, as passed by the House earlier in the day, for that of S. 377. H. R. 8742 was laid on the table. pp. 14880-81, 14889

6. FARM LABOR. The Rules Committee reported a resolution for consideration of H. R. 10360, to continue for 2 years the authority for the Attorney General to permit the importation of aliens for agricultural employment. pp. 14889, 14964

7. FARM PROGRAM. Rep. Matthews explained the provisions of S. 4071, the farm bill, as reported by the House Agriculture Committee, and urged enactment of the Committee bill. pp. 14924

Rep. Hill inserted a letter from the National Wool Growers Assoc. urging passage of S. 4071 as reported by the House Agriculture Committee, and stated, "We feel certain that the conference committees can iron out major differences existing in the House and Senate versions of the farm bill and can develop legislation which will be acceptable to the administration." p. 14910

8. SALINE WATER. The Interior and Insular Affairs Committee reported with amendment S. J. Res. 135, to provide for the construction by Interior of demonstration plants for the production, from saline or brackish waters, of water suitable for agricultural, industrial, and municipal uses (H. Rept. 2450). p. 14946

9. RECLAMATION. The Interior and Insular Affairs Committee reported S. 4009, without amendment, to increase the amount authorized to be appropriated for the Washoe reclamation project, Nev. and Calif. (H. Rept. 2451); and S. 3448, with amendment, to permit the Secretary of the Interior to authorize increases in the 160-acre limitation on the Seedskadee Reclamation project (H. Rept. 2454). p. 14946

10. CONTRACTS. The Ways and Means Committee reported without amendment H. R. 11749, to extend the Renegotiation Act of 1951 for 2 years (H. Rept. 2466). p. 14947

for construction made necessary by changes in Air Force missions, etc. This matter is dealt with with respect to section 102 under the Army title of the bill. The same solution of the difference was arrived at by the provision of $17,500,000, as in titles I and II.

The other differences between the House and Senate versions were resolved as follows:

The House receded with respect to Lowry Air Force Base primarily on the basis that the Air Force could no longer defend this item in any specific fashion since the location of the facility still awaits decisions within the Department of Defense.

The insertion by the Senate of facilities for Moody Air Force Base was accepted by the House conferees with an amendment. The amendment added appropriate authority for troop housing and utilities at this installation. The troop housing at Barksdale Air Force Base, which had been deleted by the Senate, was reinserted by the conferees with the Senate receding. The House receded with respect to the three commissaries mentioned above. The classified facility under the Aircraft Control and Warning System was permitted to remain in the bill with the House receding.

Section 302 of the bill contains authority similar to that contained in section 102 under the "Army" title. The solution arrived at with respect to this section is identical with that for the similar Army authority. This item is dealt with in some greater detail below.

TITLE IV

Secretary of Defense

Under title IV, the Senate had inserted language which appeared to place operational authority in the Secretary of Defense with respect to defense missiles. As indicated under both the Army and Air Force portions of this statement, a new section was inserted in lieu of section 402 of the Senate version of the bill.

All conferees felt that the function of this new section and the purposes which it is designed to accomplish could best be described by setting out the exact language of this important change in the bill. This new language clarifies the original intent not to make authorizations or appropriations in operational matters directly to the Secretary of Defense.

"SEC. 402. The Secretary of Defense or his designee shall, prior to the utilization of the funds authorized by sections 102 and 302 of this Act for establishing or developing classified installations and facilities for defense missiles by the Secretary of the Army and the Secretary of the Air Force, respectively, determine with respect to each defended area, which missile or combination of missiles will be employed in that area. In making such determination, the Secretary of Defense shall have the authority to transfer such funds as may be made available pursuant to the authorization contained in such sections for such installations and facilities, to the Secretary of the Army or the Secretary of the Air Force, as the case may be, to enable such Secretaries to utilize the authority contained in such sections in accordance with such determinations."

TITLE V

General provisions

The areas of disagreement under title V were not numerous but did involve matters of considerable importance.

The first item of disagreement related to section 505 of the Senate version of the bill relating to contracts entered into by the United States. The House and Senate conferees both had exactly the same purpose in mind and that was to insure that to the maximum extent possible, construction contracts within the Department of Defense shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army, or the Bureau of Yards and Docks, Department of the Navy. The House conferees felt that the Senate language permitted a latitude which might fail to achieve the end sought and the Senate receded by accepting a new version of the language appearing at the first part of section 506. The new language agreed upon by the conferees is as follows:

"SEC. 506. Contracts for construction made by the United States for performance within the United States, its Territories and possessions, under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army, or the Bureau of Yards and Docks, Department of the Navy, unless the Secretary of Defense determines that because such jurisdiction and supervision is wholly impracticable such contracts should be executed under the jurisdiction and supervision of another department or Government agency."

The conferees wish to stress the importance of this portion of the bill since it is their firm belief that the Corps of Engineers and the Bureau of Yards and Docks are fully qualified by long experience in the administration of construction contracts and should, therefore, be fully utilized. It will be noted that the use of any other department or Government agency for the supervision of such contracts is limited to those instances where their jurisdiction and supervision by the Corps or the Bureau are wholly impracticable.

The next area of disagreement related to the exception from the repealer language of the backup authorization for rental guaranty housing. The Senate had deleted this item from the bill, but receded.

Section 512 of the bill had no counterpart in the House version. It is designed to permit all Wherry housing, whether mandatory or permissive, to be acquired by the military departments without the need for a line item in the annual construction bill.

Section 513, which also had no counterpart in the House version, limits the number of surplus commodity houses to 4,000 units for fiscal year 1959, and Capehart houses to 30,000 units for the same period. The House conferees made certain modifications to the Senate language which were acceptable to the Senate conferees. The principal change was the substitution for the word "constructed" of the words "contracted for." This will permit more orderly administration of the law and will express in better terms the actual intention of the Senate.

Subsection (d) of this section sets out the procedure which will be followed in the condemnation of Wherry housing projects. In great part, this subsection repeats existing law. It did, however, embody certain important differences from existing law, principally the mandatory requirement that the issue of just compensation for a Wherry project be determined by a commission of three persons to be appointed by the court. The Senate language, as stated above, required that compensation be determined by commissioners. Normal practice contemplates that the court exercise discretion as to whether commissioners shall be appointed or the matter of compensation be determined by a jury. The Senate conferees determined that their language should be made permissive rather than mandatory and as this is a privileged motion, the Senate changed its language from mandatory to permissive. Subsection (d) (2) was stricken from the bill in view of the fact that the Senate's change of the word "shall" to the word "may" made this particular subsection unnecessary.

Section 516 of the Senate version extended until 1962 the period within which substandard family housing must be rehabilitated, converted to other use, or destroyed. The House conferees felt that this extension would tend to perpetuate a situation which everyone is agreed should be terminated at the very earliest possible date. The House conferees agreed, however, to a 1-year extension, until 1961, but wish to stress their strong interest in the prompt reconversion or destruction of substandard housing.

TITLE VI

Reserve forces facilities

The Senate amendment contained a provision authorizing the Secretaries of the military services with the approval of the Secretary of Defense, to establish or develop Reserve facilities other than those authorized by section 603 providing that the total cost of such facilities by any service would not exceed 10 percent of the total amount authorized to be expended by that service and would not exceed the total amount authorized for such service.

The Senate amendment provides a flexibility for the military services which appears to be necessary. This is particularly true in that the bill is the first wherein reserve facility construction has been authorized by line item instead of by general authorizations as has been done in the past.

In addition, it will allow minor deviations from the line items contained in the bill in the event State or Federal authorities find that a project is needed prior to the submission of the next annual military construction bill.

The House recedes.

The House bill contained authorization for 35 National Guard armories at a cost of $5,007,000. The Senate amendment added 108 armories at an additional cost of $15,093,000.

The managers on the part of the House concurred with the Senate in that additional guard armories are needed. Furthermore, the States have appropriated and made available as matching funds $35 million which cannot be used until the Federal Government contributes its share.

At the present time the National Guard Bureau estimates that more than 700 guard armories are still needed throughout the country. In view of this shortage it was believed that guard facilities in excess of those contained in the House bill should be authorized.

The House recedes.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
CARL T. DURHAM,
L. MENDEL RIVERS,
LESLIE C. ARENDS,
LEON C. GAVIN,
BOB WILSON,
KATHARINE ST. GEORGE,
Managers on the Part of the House.

MISS BERTHA ADKINS

(Mrs. ST. GEORGE asked and was given permission to extend her remarks at this point in the RECORD.)

Mrs. ST. GEORGE. Mr. Speaker, on my return from a very brief visit to Brazil to attend the Interparliamentary Union Conference, I heard with great pleasure that the President had named my very good and dear friend, Miss Bertha Adkins, to the position of Under Secretary of Health, Education, and Welfare.

This is a most felicitous choice. It is high time that a woman of talent and capability be a member of the Cabinet.

Miss Adkins is admirably fitted through her experience in the field of education, her gift for getting on with people, her calm poise and serene outlook to fill this position as it should be filled, and the women of America will be able to take pride in the recognition given to one

of their sex, not because she is a woman but because she is far and away the best person for the job.

CORRECTION OF ROLLCALL

Mr. POFF. Mr. Speaker, on rollcall No. 139 I was incorrectly listed as absent. I was present in the Chamber and answered to my name when it was called. I ask unanimous consent that the permanent RECORD and Journal may be corrected accordingly.

The SPEAKER. Without objection, the permanent RECORD and the Journal will be corrected accordingly.

There was no objection.

A GRISLY CALL FOR ACTION ON THE KENNEDY-IVES BILL

(Mr. UDALL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. UDALL. Mr. Speaker, the human-torch burning of Teamster Agent Frank Kierdorf, in Pontiac, Mich., yesterday was a grisly and unanswerable argument for immediate enactment of the Kennedy-Ives labor-reform bill.

This incident was the logical result of an ex-convict occupying a position of leadership in a racket-ridden union. There is little wonder that Mr. Hoffa and his ilk are strenuously opposed to the Kennedy-Ives labor-reform bill.

The attack victim, Frank Kierdorf, could never have become a union official had the Kennedy-Ives bill been in force.

The Kierdorf burning is a gruesome call for action by the House before Congress adjourns on the Kennedy-Ives bill.

INCREASING THE PUBLIC DEBT LIMIT

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 671, Rept. No. 2429), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 13580) to increase the public debt limit, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

AMENDING THE INTERSTATE COMMERCE ACT

Mr. FLYNT. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 8742) to amend the Interstate Commerce Act to provide a 2-year statute of limitations on actions involving transportation of property and passengers of the United States Government and to provide that deductions for overcharges by the United States shall be made within 3 years from time of payment, as amended.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Interstate Commerce Act, as amended, is amended as follows:

(1) Amend section 16 (3) as follows: In subparagraph (a) strike out "2 years" and insert "3 years"; in subparagraph (c) strike out "2 years" and insert "3 years", and strike out "2-year" and insert "3-year"; and in subparagraph (d) strike out the word "2-year" the second time it occurs and insert "3-year."

(2) Add the following new subparagraph (1) to section 16 (3):

"(i) The provisions of this paragraph (3) shall extend to and embrace all transportation of property or passengers for or on behalf of the United States in connection with any action brought before the Commission or any court by or against carriers subject to this part: *Provided, however,* That with respect to such transportation of property or passengers for or on behalf of the United States, the periods of limitation herein provided shall be extended to include 3 years from the date of (A) payment of charges for the transportation involved, or (B) subsequent refund for overpayment of such charges, or (C) deduction made under section 322 of the Transportation Act of 1940 (49 U. S. C. 66), whichever is later."

(3) Amend section 204a as follows: In paragraph (1) strike out "2 years" and insert "3 years"; in paragraph (2) strike out "2 years" and insert "3 years", and strike out "2-year" and insert "3-year"; and in paragraph (3) strike out "2-year" and insert "3-year."

(4) Add the following new paragraph (7) to section 204a:

"(7) The provisions of this section 204a shall extend to and embrace all transportation of property or passengers for or on behalf of the United States in connection with any action brought before any court by or against carriers subject to this part: *Provided, however,* That with respect to such transportation of property or passengers for or on behalf of the United States, the periods of limitation herein provided shall be extended to include 3 years from the date of (A) payment of charges for the transportation involved, or (B) subsequent refund for overpayment of such charges, or (C) deduction made under section 322 of the Transportation Act of 1940 (49 U. S. C. 66), whichever is later."

(5) Amend section 308 (f) (1) as follows: In subparagraph (A) strike out "2 years" and insert "3 years"; in subparagraph (C) strike out "2 years" and insert "3 years", and strike out "2-year" and insert "3-year"; and in subparagraph (D) strike out the word "2-year" the second time it occurs and insert "3-year."

(6) Add the following new subparagraph (5) to section 308 (f):

"(5) The provisions of this paragraph (f) shall extend to and embrace all transportation of property or passengers for or on behalf of the United States in connection with any action brought before the Commission or any court by or against carriers subject to this part: *Provided, however,* That with respect to such transportation of property or passengers for or on behalf of the United States, the periods of limitation herein provided shal be extended to include 3 years from the date of (A) payment of charges for the transportation involved, or (B) subsequent refund for overpayment of such charges, or (C) deduction made under section 322 of the Transportation Act of 1940 (49 U. S. C. 66), whichever is later."

(7) Amend section 406a as follows: In paragraph (1) strike out "2 years" and insert "3 years"; in paragraph (2) strike out "2 years" and insert "3 years", and strike out "2-year" and insert "3-year"; and in paragraph (3) strike out "2-year" and insert "3-year."

(8) Add the following new paragraph (7) to section 406a:

"(7) The provisions of this section 406a shall extend to and embrace all transportation of property for or on behalf of the United States in connection with any action brought before any court by or against carriers subject to this part: *Provided, however,* That with respect to such transportation of property for or on behalf of the United States, the periods of limitation herein provided shall be extended to include 3 years from the date of (A) payment of charges for the transportation involved, or (B) subsequent refund for overpayment of such charges, or (C) deduction made under section 322 of the Transportation Act of 1940 (49 U. S. C. 66), whichever is later."

SEC. 2. Section 322 of the Transportation Act of 1940 (49 U. S. C. 66) is amended as follows:

(1) By striking the words "overpayment to" and substituting therefor the words "overcharges by."

(2) By adding a new sentence at the end of the section as follows: "The term 'overcharges' shall be deemed to mean charges for transportation services in excess of those applicable thereto under the tariffs lawfully on file with the Interstate Commerce Commission and the Civil Aeronautics Board and charges in excess of those applicable thereto under rates, fare, and charges established pursuant to section 22 of the Interstate Commerce Act: *Provided, however,* That such deductions shall be made within 3 years (not including any time of war) from the time of payment of bills: *Provided further,* That every claim cognizable by the General Accounting Office for charges for transportation within the purview of this section shall be forever barred unless such claim shall be received in the General Accounting Office within 3 years (not including any time of war) from the date of (1) accrual of the cause of action thereon, or (2) payment of charges for the transportation involved, or (3) subsequent refund for overpayment of such charges, or (4) deduction made pursuant to this section, whichever is later."

SEC. 3. The provisions of this act which amend the Interstate Commerce Act, as amended, shall apply only to causes of action which accrue on or after the effective date of this act. The provision of this act which amends section 322 of the Transportation Act of 1940 (49 U. S. C. 66) shall apply only to transportation performed and payment made therefor subsequent to the effective date of this act.

The SPEAKER. Is a second demanded?

Mr. MARTIN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. FLYNT. Mr. Speaker, H. R. 8742 has a committee amendment which strikes out all after the enacting clause and inserts the committee draft of the

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 10045) to provide for the sale of all of the real property acquired by the Secretary of Commerce for the construction of the Burke Airport, Virginia. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. TRIMBLE. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and yield myself such time as I may consume.

Mr. Speaker, House Resolution 637 makes in order the consideration of H. R. 10045, a bill to reconvey the lands acquired for Burke airport to the former owners. The resolution provides for an open rule and 1 hour of general debate on the bill.

In 1951 the Government acquired 1,031 acres of land in 63 separate tracts near Burke, Fairfax County, Va., to be used for the construction of a public airport for the District. Subsequently a site at Chantilly, Va., was selected and the property at Burke is no longer needed.

The bill provides that within a 90-day period following the enactment of the bill, States, political subdivisions, municipalities, and tax-exempt hospitals and educational institutions will be afforded an opportunity to acquire the land under existing laws—the Surplus Property Act of 1944 or the Federal Property and Administrative Services Act of 1949, which authorize disposal of public lands to such governments and institutions at a price which is 50 percent of its fair value, based on the highest and best use thereof. Then, if the tracts involved have not been disposed of, during the next 90 days the former owners will be afforded an opportunity to reacquire the land at the price paid the former owners of the land when it was acquired by the United States. The amount would be reduced if any damage had been done to the land or to any improvements on the land as a direct or indirect result of the acquisition. This determination will be made by the Administrator of the General Services. If a part of a tract is taken by the State or a local government, the Administrator will also determine the price to be paid to the former owner for the remainder of such tract.

At the end of 180 days if the tracts have not been disposed of under this bill, then the provisions of all other laws relating to the disposition of surplus property will come into operation.

I urge the adoption of House Resolution 637.

Mr. BROOKS of Texas. Mr. Speaker, will the gentleman yield?

Mr. TRIMBLE. I yield.

Mr. BROOKS of Texas. May I ask the gentleman if he recalls that there was some opposition to the rule in the Rules Committee? May I also make it clear that there are some Members of the House who are very much opposed to this legislation, not as an individual piece of legislation, but because of the very dangerous precedent it would establish.

I am very hopeful the Committee on Interstate and Foreign Commerce will allow me some time to debate the bill. We might go ahead and consider the rule. I am not attempting to disturb that, because I should like the House to consider this legislation. It is a very serious matter. As I understand, there is 1 hour of debate allowed under the rule?

Mr. TRIMBLE. The gentleman is correct.

Mr. BROOKS of Texas. Is the gentleman from Alabama going to handle the time for the Committee on Interstate and Foreign Commerce?

Mr. ROBERTS. I assume the chairman of the committee, the gentleman from Arkansas [Mr. HARRIS] will handle the time. However, I think I can assure the gentleman he will be given ample time to present his views.

Mr. BROOKS of Texas. Essentially, this rule will enable the House to consider whether or not it wants to give land back to former owners at the price they received some 8 years ago. This will probably cost us in the neighborhood of $100,000 to $500,000 in connection with these tracts. But as a precedent, it might cost this country millions and millions of dollars. I think it should be most carefully considered in the light of the attitude of this administration and this Congress toward getting a fair, current market value on property that is sold by the Government.

Mr. ALLEN of Illinois. Mr. Speaker, although I am well aware that this is a very controversial bill, I know of no one who is against the rule and for that reason I reserve the balance of my time.

Mr. TRIMBLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INCREASING THE NATIONAL DEBT LIMIT

Mr. SMITH of Virginia. Mr. Speaker, pursuant to the order of the House entered on yesterday, I call up the resolution (H. Res. 671) providing for the consideration of H. R. 13580, a bill to increase the public debt limit, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 13580) to increase the public debt limit, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and at this time I yield myself such time as I may consume.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. MILLS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 154]

Abbitt	Friedel	Miller, N. Y.
Adair	Garmatz	Moore
Ashley	Gordon	Morris
Bailey	Granahan	Moulder
Barden	Gregory	Neal
Bass, Tenn.	Griffiths	Nix
Bentley	Harden	Philbin
Blitch	Hess	Pillion
Bolling	Hillings	Powell
Brooks, La.	Hull	Radwan
Broomfield	James	Rees, Kans.
Buckley	Jenkins	Robeson, Va.
Burdick	Jones, Mo.	Saund
Byrd	Judd	Scherer
Carnahan	Kearney	Scott, N. C.
Celler	Kee	Scott, Pa.
Christopher	Kilburn	Scrivner
Colmer	Landrum	Sheehan
Davis, Tenn.	Latham	Shelley
Dawson, Utah	Lennon	Shuford
Dies	Lesinski	Sieminski
Diggs	Loser	Smith, Kans.
Eberharter	McIntire	Spence
Engle	Machrowicz	Stauffer
Evins	Mahon	Talle
Fallon	Mailliard	Wharton
Farbstein	Mason	Wilson, Ind.
Fogarty	Michel	Zelenko

The SPEAKER. On this rollcall 345 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CORRECTION OF VOTE

Mr. NORRELL. Mr. Speaker, in the RECORD of July 10, 1958, I am listed as not voting on rollcall No. 125. I was present and voted "yea." The bill involved

was S. 1411, relating to the suspension of employment of civilian personnel of the United States in the interest of national security. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CORRECTION OF ROLLCALL

Mr. BOSCH. Mr. Speaker, on rollcall No. 153 I am recorded as not answering to my name. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

INCREASE IN PUBLIC DEBT LIMIT

Mr. SMITH of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the resolution now before the House makes in order the consideration of the bill (H. R. 13580) to increase the public debt limit. It is the usual closed rule, providing for 2 hours of debate and waiving points of order. Only amendments offered by the Committee on Ways and Means shall be in order.

The bill provides that the permanent debt limit shall be raised from $275 billions to $285 billions, and in addition to that the limit be temporarily raised to $288 billion through June 30, 1960, at which time the limit will revert to $285 billion.

The recession has cut deeply into expected revenues for the fiscal year. The net revenues amount to $69,100,000,000 as against estimates of $72,400,000,000. We are faced with an estimated budget deficit of about $12 billion for the current fiscal year ending June 30, 1959. This is based on estimates of $79 billion in expenditures and $67 billion in receipts.

Mr. Speaker, this is one of the things I suppose we have to do, but I want to remind the House again, as I have reminded you before, that we have increased the debt limit once this year already and now we are about to increase it another $10 billion.

There seems to be no end to the inflationary spiral which keeps pushing the debt limit up and pushing the country deeper into debt and deeper into inflation.

I reminded the House a few days ago of some of the things that are pending now. That was before this question came up of increasing the debt limit. The increase now does not take into consideration pending measures that are now awaiting the action of this House before adjournment.

I call the attention of the House to some of the bills on which the Committee on Rules is being pressured for rules and what they are going to mean in terms of further increase in the debt limit.

We have before the Committee on Rules a bill called the school bill. It is supposed to authorize the appropriation of money for scholarships, and so forth, for scientists, to educate them. That is $1 billion.

We have a bill before the Committee on Rules for relief to the depressed areas in the country—whatever they are. That is only $275 million. I do not know whether that is going to go very far toward alleviating the depression.

We have coming up, a housing bill involving $2,400,000,000 which is supposed to be passed before this session ends.

The other day we had a municipal facilities bill which, if passed, eventually before this session ends, and it may be, would involve another $2 billion.

Then we have pending a mineral subsidy bill involving $650 million.

That totals up to something like $6,350,000,000. I believe that the school bill, as was stated by the chairman of the Committee on Ways and Means this morning, is included in the budget for this year to the extent of $1 billion. If that is correct, then there is $5 billion that this Congress is expected to add to the burden of the taxpayers between now and the end of the session. So I am wondering when we are going to have to increase the debt limit again because it seems to me that this business of increasing the debt limit a couple of times a session has gotten to be a matter of mere shadow boxing. It just does not have any effect. We keep on appropriating money and authorizing appropirations. I am wondering where we are going to stop. I am wondering if it would not be the best thing for this country if we would just quit bringing out these authorization bills for these large amounts that are going to increase the taxpayers burdens and are going to make it necessary to increase the debt limit until you will get to the point where this inflationary situation is just going to destroy the economy of this country. Now there is not any question about that; is there? Is there anyone sitting in this Chamber who does not think we are not just driving ourselves into an inflation that nobody will be able to control? I am just wondering if there is not enough stamina in this Congress to stop right here and now and say that this is going to be the end of it at least for this session. I wish every Member of the House could have heard the chairman of the Committee on Ways and Means before the Committee on Rules this morning on this debt limitation and the colloquies that took place between him and some of the members of the Committee on Rules. I think it would have made you shudder at the picture that was painted there of what we are deliberately heading ourselves into. I think we must stop and think a little bit. I hope the pressure of Members who want special bills that involve the expenditure of large sums of money—I hope that their pressure on the Committee on Rules would cease. Then let us get out of here and stop this matter of just raising and raising and raising the debt limit time after time. This debt limit must be raised. Do not have any misunderstanding about that. If we do not raise it some day in the near future, somebody is going to go down to the Treasury with a check and there will not be any money there to pay it. I am throwing in these few remarks merely as an aside because this bill today is something that has just got to be passed. There is not anything that we can do about it.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. GARY. Is it not true that the only way we can avoid the necessity of raising the national debt limit is by stopping some of these unprecedented expenditures which are now going on in the nation?

Mr. SMITH of Virginia. That is what I have been trying to say in my feeble way—the gentleman has summed it up. We just must stop this thing because the beginning of the trouble is with the authorizations. When you authorize the expenditure of money, then you have to appropriate the money.

Mr. GARY. Mr. Speaker, I want to associate myself with the views the distinguished gentleman has expressed here today. I know the gentleman has labored long and hard in the effort to stop some of these money spending bills.

Mr. GUBSER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. GUBSER. Mr. Speaker, I have great respect for the gentleman's opinion. I would like to ask him this question.

In the event the debt limit were not raised, does the gentleman believe that by curtailment of expenditures on the part of the Executive Branch it would be possible by any strength of the imagination to stay within the present limit?

Mr. SMITH of Virginia. You are just as qualified to answer that as I am. We have sat here and appropriated the money. When a check is presented we have to pay it.

Mr. Speaker, I reserve the remainder of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I am certain that I need not mention that this is a very unpleasant bill, one of the most unpleasant bills that has been before the House since I have been a Member of Congress.

We are told by the most reliable sources that the Federal deficit for this fiscal year will amount to approximately $12 billion.

That deficit cannot be held less, unless certain bills which my good friend the gentleman from Virginia [Mr. SMITH] has mentioned, amounting to six or seven billion dollars, are held up in this Congress; or, secondly, unless the Congress now repeals certain laws and appropriations that have already passed at this session of the Congress; or unless the economic recovery of this country raises unprecedented, which will bring in more revenue in this fiscal year, or, unless taxes are raised sufficiently to balance Federal revenues and expenditures.

It appears unlikely to me that the economic conditions of this country will rise sufficiently in order to bring in $12 billion additional revenues over estimated expenditures. It also appears to me that taxes will not be raised. I am certain that none of us expects that to happen, or wants that to happen. We know that 83 percent of the expenditures of our Government are confined to interest on the national debt, approximately $8 billion; for the defense of our country; for veterans' benefits; for mutual security and military aid; and for our atomic energy program.

Mr. HOFFMAN. Mr. Speaker, over at our House Office Building we just cannot hear because of construction machinery. So I come over here and sit down in three or four different places to try to hear the gentleman. Will you tell me where I can go to hear the gentleman?

Mr. ALLEN of Illinois. I would say that it requires now 20 million out of the sixty-seven or sixty-eight million working income-tax payers who pay $400 income tax yearly to pay the interest on our national debt. So that is an item that we cannot reduce, the payment of the interest on our national debt.

As the gentleman from Virginia [Mr. SMITH] has mentioned, what would happen if we do not raise the debt limit? It would mean that with the expenditures, the appropriations made by this Congress of $12 billion more than is estimated to come in through Federal taxes, there would be $12 billion worth of bills payable with no available funds to pay them by the United States Treasury.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. TABER. Is not the remedy for this situation an immediate increase in taxes? That is the only way the people will come to understand and Congress will come to understand that it does not meet its responsibilities when it does not keep expenditures down.

Mr. ALLEN of Illinois. I would say that was one of the things I mentioned.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. JENSEN. I am sure the gentleman can remember that shortly after Sputnik I was launched a lot of people kind of lost their heads and wanted us to spend, spend, spend. Shortly after this session of Congress convened, the other party, the Democratic Party, brought in two resolutions directing the President of the United States to spend more money and faster: One which directed him to spend more money and faster for military establishments in our Nation, and the other to spend more money and faster for the civilian administration of our Government. Almost every Member of Congress voted for it. I did not vote for it, Mr. Speaker, and I am sorry we are in the situation in which we find ourselves today partly because of those two resolutions.

Mr. ALLEN of Illinois. I thank the gentleman.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. SIMPSON of Pennsylvania. I thank the gentleman for yielding. With respect to the suggestion that one of the ways to eliminate a part of the deficit would be to increase taxes. I am sure the gentleman recognizes with me that there is a point beyond which it is exceedingly unwise to increase the level of tax rates. I think he will agree also that we have reached the limit because of the many areas where too high taxes are acting as a brake on the economy.

I hope that in the not too distant future this Congress may see fit to adjust the tax burden taking off some of the peaks and leveling up some of the valleys so we can improve the economy by wise tax adjustment, so more people will have jobs at better wages, and the Government will collect taxes from more people but not as much from some of the people as they now do. That is the way, through wise and careful readjustment, we will be able to increase the take from the people while the people at the same time have more and better jobs with better incomes. An improvement in the economy will result.

Mr. ALLEN of Illinois. I thank the gentleman, and I want to say that I agree 100 percent with the gentleman. I am absolutely opposed to the raising of taxes. I agree with my good friend from Pennsylvania that the probable result of raising taxes would be to bring in less revenue. The history of taxation is that when you lower the rate you give more encouragement to private enterprise to develop. That was demonstrated during the twenties when taxes were reduced twice. The Federal Treasury received more money.

I want to thank the gentleman. I agree with the gentleman absolutely. I was merely saying that that has been proposed as one way of taking care of the $12 billion deficit.

Mr. GWINN. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from New York.

Mr. GWINN. Will the gentleman tell us how long he has been on the Rules Committee?

Mr. ALLEN of Illinois. I believe for 22 years.

Mr. GWINN. Does the gentleman see any evidence especially now that this Congress will increase taxes?

Mr. ALLEN of Illinois. I see no evidence of it.

Mr. GWINN. Does the gentleman see any evidence or has he seen any evidence in the last 20 years that this Congress will stop as the gentleman from Virginia suggested, stop making appropriations?

Mr. ALLEN of Illinois. The record speaks for itself.

Mr. GWINN. Then would not the remedy be, and possibly the only remedy, that this Congress be limited by constitutional amendment in its power to tax? What would the gentleman say of that?

Mr. ALLEN of Illinois. If there were some other sound practical method of bringing in revenue to run our Government—I imagine the gentleman is talking about income taxes?

Mr. GWINN. Yes.

Mr. ALLEN of Illinois. I would say that if there were any other reasonable, sound method than raising income taxes to produce sufficient revenue to meet the appropriations passed by Congress, and which the Secretary of the Treasury must meet, I certainly would be for it. The present rate of income taxes is confiscatory.

Mr. GWINN. My point, Mr. Speaker, is this: Is there any remedy except the limitation concept on the power of Congress to tax and spend? Is there any other remedy in sight?

Mr. ALLEN of Illinois. None that I know of. If you put it in that light, no.

Mr. GWINN. And has there been any other remedy in history that the gentleman knows of except the limitation concept?

Mr. ALLEN of Illinois. I would say, from the history of other governments of the world, that what the gentleman says is true.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman.

Mr. MILLER of Nebraska. Was there any evidence before the Committee on Rules on unexpended or unobligated balances? I recall that after World War II many departments of the Government, the Department of Defense and others, had large unexpended balances that we rescinded and put back into the Treasury. What is the situation now relative to unobligated and unexpended balances, or carryover funds in various departments of the Government?

Mr. ALLEN of Illinois. I would say to the gentleman that to the best of my knowledge there are several billion dollars of funds unexpended. The Government is the largest business in the world, and those funds may be compared with reserves in private enterprises, in corporate entities. I do not know whether in comparison with size the unexpended balances of the Federal Government are larger or smaller than those of large business concerns.

Mr. ALGER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman.

Mr. ALGER. Mr. Speaker, I think all of us join the gentleman in recognizing that when we run up the bills we have to pay for them later. That is all we are talking about today. Does the gentleman see any prospect in sight that this Congress, between the time it meets and adjourns in any session, will have the self-control, the self-discipline, to create a forced balanced budget so that we do not spend more than we take in in any given congressional year?

Mr. ALLEN of Illinois. I think the gentleman from New York [Mr. GWINN], the gentleman from Texas [Mr. ALGER] and I are all in agreement on that score.

Mr. ALGER. That would be a step in the right direction, to propose legislation to provide a forced balanced budget while Congress is in session and before it adjourns?

Mr. ALLEN of Illinois. Definitely.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman.

Mr. GROSS. The gentleman has stated that the Government must now appropriate $8 billion annually for interest and other carrying charges on the public debt; is that correct?

Mr. ALLEN of Illinois. At least $8 billion.

Mr. GROSS. I understand, of course, there are a number of imponderables, but does the gentleman have any idea how much this proposed increase in the ceiling will increase the carrying charges, interest and other carrying charges, on the public debt?

Mr. ALLEN of Illinois. If you take the amount of $10 billion increase in the permanent debt plus $3 billion in the temporary debt, it makes a total of $13 billion. Then you have to consider the rate that the Government has to pay and the number of years it will continue to pay on that debt. It is impossible to arrive at a figure because we do not know when we are going to stop paying on that $13 billion, or when that money will be paid back. If it is paid back in 3 years, the interest will not be as great, naturally, as it will be if it takes us 20 years or more to pay it back.

Mr. GROSS. The gentleman does not think they are going to pay anything off on this debt in the next 3 years, does he?

Mr. ALLEN of Illinois. To my good friend from Iowa who is recognized as one of the most economy-minded Members of Congress, I can only say I hope so.

Mr. VURSELL. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman.

Mr. VURSELL. Will the gentleman agree with me that the 7 percent inflation that we have had during the last 4 years, which would amount to $4.9 billion on expenses of Government of $70 billion, represents $4.9 billion of inflation?

Mr. ALLEN of Illinois. The gentleman from Illinois is an expert fiscal authority and I am not. The gentleman is a student of finance; I am not. I am willing to accept the gentleman's figures.

Mr. VURSELL. I would like to raise this question. I believe Congress should have this sort of control. Last year, and even the year before, the President of the United States called upon the big labor unions of the country and the big business interests of the country to stop this inflation. Congress failed to join the President, Congress did not make any effort to join the President in that plea with the result that since that time, even within the past 4 months, the people who are manufacturing the implements of war have had an increase of an average of 26 percent, and for the third year in steel there was an increase of 20 percent that became effective August 1. The result is that steel is being raised $4.50 a ton. All of which runs up the cost of the Federal Government and all of which could be controlled, if this Congress had had the courage to pass a concurrent resolution insisting that this inflation be stopped. It goes on year after year and in my judgment it will continue until we stop this constant spiral of wages which brings about a constant spiral of prices, not only on munitions of war but on everything else, affecting all of the people.

Mr. ALLEN of Illinois. I thank the gentleman.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Illinois.

Mr. COLLIER. The public and apparently this Congress seem to be oblivious to the national debt as such. Obviously there is a breaking point. We have gone up to $275 billion and it is now proposed to go up to $285 billion. What point do we reach in the extension of this national debt before we reach this breaking point? Does anyone have a figure? Everyone seems to feel that we can just keep on going up without reaching any breaking point. Is there some figure? Is it $300 billion? Is it $350 billion? How far can we go before the "bust" will come?

Mr. ALLEN of Illinois. The gentleman certainly has brought forth a good point, but I am frank to confess that I do not know just where that breaking point would be.

In conclusion, may I say this: As I see it, there are only two elementary or practical formulas before us. One is that we dare not permit $12 billion worth of bills payable to enter the Treasury Department and to be marked "No funds available." That is one practical requirement that I do not believe anyone can deny. As unpleasant as is this bill to raise the debt ceiling by $13 billion, I do not believe it is as unpleasant as to have our United States Government, whose word has always been as good as gold, have no funds available in the United States Treasury when people back in our districts who have Government contracts, and who have performed on those contracts and delivered, come in asking for payment. That is one thing I believe should not happen.

The other, Mr. Speaker, in regard to the solution of this problem, would be to follow the good suggestion of my good and capable friend, the gentleman from Virginia [Mr. SMITH]. Let us lock up this Congress and adjourn and go home, and then we can save at least $6 billion.

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN asked and was given permission to revise and extend his remarks.)

IN A HOLE OF OUR OWN DIGGING

Mr. HOFFMAN. Mr. Speaker, it was my understanding that the gentleman from Virginia [Mr. SMITH] stated in substance that if we continue to appropriate as we have, and pass the bills which are now before the Rules Committee, if they are reported out, we will be in serious financial trouble. I also understood him to say that a similar result would come to us if we failed to raise the debt limit, and someone went into a Government office to pay bills with a bill, and there were no funds available. Was that understanding correct?

Mr. SMITH of Virginia. It is my understanding if you reach the debt limit, which means expenditures, you have to stop issuing bonds. A debt limit is a debt limit.

Mr. HOFFMAN. My understanding was that the gentleman's statement was to the effect that if these bills that are now pending before the Rules Committee came out of the Committee on Rules, and were then adopted, we would then be in serious trouble; that is, we would be bankrupt, and we would have no way of meeting our obligations other than by increasing taxation or the debt limit, calling Congress back for the purpose.

Mr. SMITH of Virginia. We could increase the debt limit again.

Mr. HOFFMAN. We could borrow more money and pay interest on that?

Mr. SMITH of Virginia. Yes.

Mr. HOFFMAN. So we are in trouble anyway.

Mr. SMITH of Virginia. That is right.

Mr. HOFFMAN. Apparently nothing is going to get us out of it until we shock the people into realizing what is happening. That they must furnish the money to meet the obligations the pressure groups insist we incur.

Our primary in Michigan is today. Naturally, having opponents, 2 in the Republican Party and 1 in the Democratic Party, Mr. Speaker, I might or perhaps should be worried because I think I can be helpful if here for the next 2 years. But all of my opponents, the 2 Republicans and the 1 Democrat, are campaigning on the issue that I voted too many times against appropriations. They say the old boy is negative all the time and that they do not approve—each would be positive—apparently even if wrong.

That is to say, the two Republican primary candidates and one of the Democratic primary candidates, by their campaign literature and their verbal statements, as well as by their ads in the papers, infer that, when an appropriation for foreign aid came along, I should have voted "yea," instead of having voted "no" against the expenditure and waste of billions and billions of tax dollars abroad while the home folk went without.

They also contend—at least they infer—that, where I voted "no," they would have voted "yea"; that, where some particular group wanted an increase in subsidies or in benefit payments, they would have voted in favor of further appropriations, never have voted "no"; that, had they been here when the appropriation to move a military base from one location where the community had years ago wanted it established—now wanted it removed because a city had grown up around the base, even though it cost $35 million, each would have voted "yea".

Apparently their argument is that, where I voted to impose some restrictions upon the racketeering and extortion practiced by a few corrupt union officials who had strong-armed themselves into power, they would have voted to permit such activities to continue.

What gets my goat is that these eminent gentlemen, while all announced

that they are for economy and efficiency, contend that I have failed in my service here because I did not vote for—in favor of—every foolish, wasteful, sometimes harmful scheme, costing millions—and for which each would have voted "yea". Why haven't they the intelligence and the courage to state just how they would have voted when confronted with each of these issues?

It is always popular for a candidate to announce that he is against excessive taxation but for all appropriations, but never to make a promise that he would vote against a particular request from a pressure group which we all know would increase appropriations or add to the public debt and which sometimes is downright silly.

My opponents, Republicans and one Democrat—the other seems to be reasonable—seem always to be against everything I do, every vote I cast. But, to date and over the years, not one has ever had the inclination or the courage—whichever it may be—to publicly announce before an election just where he stands, just how he would vote on any specific issue.

Sure, they are against sin but not one of them ever voted to curb or punish it; ever told those whose votes he solicits just how he would have voted, had he been confronted by that issue.

The primary is over, so I have no hesitancy whatever in making the foregoing statements.

Would I be serving the people of the fourth district if, during the remainder of this session, I voted for every appropriation bill which came before the House?

As is well known, there are today measures pending before the Committee on Rules which call for additional expenditures approaching $9 billion. If reported out, would one of the Democratic primary candidates and the two Republican primary candidates vote to make those appropriations? All of these bills have been before Congress for some time. Do-gooders have in each instance supported them. For each bill pressure has been put upon me to go along and vote the appropriation requested. Did I do so?

The deficit for 1958—and we are now in fiscal year 1958—would be something like $12 billion, to be added to the interest-bearing public debt of $276 billion.

Today's primary election in Michigan is practically over now. Nothing I say here can affect the result, but the people of the district know very well that as to a majority of those appropriations my vote will be "no" or, as these primary contestants so freely charge, negative. Not one of the three has indicated how he would vote.

They are all—each and every one of them—if permitted to deal in generalities—in favor of helpful, sound legislation, but, when nailed down to a specific item, not one of them has or will in the campaign—if nominated—at least, that is my judgment—have the courage to tell just where he stands, how he would have voted or will vote—"yes" or "no", if required to do so, on any specific issue.

It is too late now to argue that. I should or should not be renominated today and reelected in November, but if I skimp through this time should I from now on vote for every single appropriation that comes before the House, when I know that by so doing I am increasing the amount which the taxpayers must kick in every year? Should I vote to increase the debt limit, so we can borrow more money and future generations pay more interest on the ever increasing public debt.

It may be possible that by refusing to increase the debt limit and by shocking the people into a realization of the situation, where vouchers on the United States Treasury will not be paid, when they go to a United States pay office with a bill and find there is no money—they then realize what has happened. Then the President would be forced to call Congress back and raise the debt limit, borrow and pay interest to meet current obligations, and add to the tax burden. It might be with that sort of drastic treatment, a major operation, they could be induced to quit asking us to appropriate more and more money.

Now if I were only 30 and wanted to stay in this Congress indefinitely, what would be the temptation—to vote for every bill that came in here that anybody asked for, no matter what the result. Well, that is a kind of a tough situation; a young and green Congressman must face, is it not? Some people will not quit asking for money, Mr. Speaker, until disaster overtakes us. They come along day after day and want more millions or billions of dollars appropriated. Then when we vote as they wish and it becomes necessary to pay interest on an increased public debt or to add to their tax bill, they yell again.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. GROSS. The gentleman may be unduly worried because not so long ago——

Mr. HOFFMAN. Oh, I am not worried at all. I have my funeral expenses paid for. I bought a monument and I have a lot in a cemetery. The only thing I could possibly be worried about would be the decision of Saint Peter when I get up there.

Mr. GROSS. The gentleman still may be unduly worried.

Mr. HOFFMAN. I said I was not. I will not yield to the gentleman to disagree. If you want to agree with me, as I would like to have the voters of the Fourth District of Michigan, all right I will yield indefinitely until my time expires.

Mr. GROSS. What I wanted to say to the gentleman and to other Members of the House is that not too long ago the Government bought some high-speed presses from the British so that we could turn out bonds faster——

Mr. HOFFMAN. I never voted for anything to help the British. My ancestors were in the Revolutionary War. Well, that is the situation anyway. Presumably, we will be forced to go along. I have the highest respect and the utmost confidence in the judgment of my friend the gentleman from Illinois [Mr. ALLEN] and the gentleman from Virginia [Mr. SMITH], but it does not seem to me that increasing the debt-limit is the solution. Something must jar our people to the realization of where we are drifting. Otherwise as Harry Hopkins once said we "tax and tax and elect and elect" spenders and taxers and drift—as he did not say—into disaster.

All of which, Mr. Speaker, brings me to a current bill and the clear thinking of my colleague.

As always when financial integrity and adherence to constitutional government are in issue, our colleague from Michigan's Third Congressional District, so ably represented by AUGUST E. JOHANSEN, was on the job when S. 607 came before the House.

That bill called for the payment to a former President or Presidents of a monetary allowance of $25,000 per year.

It also provided that General Services, without regard to civil-service or classification lists, furnish a staff consisting of an administrative assistant, a secretary, and other secretarial and clerical assistance, all to be selected by the former President and responsible only to him. It further provided that the former President should fix the compensation of his staff, limited only by the sums paid by a Senator from the least populous State of the Union for similar services, but which should not exceed the maximum aggregate rate of compensation payable to employees of a Senator.

The bill further provided that General Services furnish each former President suitable office space and that free mailing privileges should be given to him, only not in excess of 4,000 individual pieces per month, the size thereof, however, not limited. The bill further provided that the widow of any former President should be entitled to a pension at the rate of $10,000 per annum.

A strange thing about the bill was that it did not provide for nor limit the activities of the former President. Apparently the office of a free adviser, or faultfinder, to the people, the Congress, and the President was created.

Our colleague, the gentleman from the Third Congressional District of Michigan [Mr. JOHANSEN], was a member of the committee which reported out the bill and, as written, was opposed to it.

It becoming apparent that the bill could not be defeated, our colleague did the next best thing. He offered an amendment which stripped the bill of all of its provisions except those providing for a pension for a former President and the widows of former Presidents. Being on the committee, our colleague was accurately informed as to its provisions, was well aware of the purpose of the harm which might result if it was adopted as written and became a precedent.

Yet again, the bill was but the beginning of another unneeded, expensive addition to the Federal Government.

Many favored the bill as written but our colleague saw the resultant harm which would undoubtedly follow and offered an amendment which will save the taxpayers millions, if not billions, of dollars in the future.

Because of his skillful management, his logical statements, the amendment was adopted and he is, as the Chicago Tribune editorially stated, entitled to the gratitude, not only of the taxpayers of his District, but of the taxpayers of the Nation. The editorial concisely and factually states the situation. It reads:

A GRATEFUL PUBLIC

Representative AUGUST E. JOHANSEN, Republican, of Michigan, did a good day's work when he successfully offered an amendment to the pensions-for-Presidents bill. The Battle Creek Republican proposed removing provisions for free office space, clerical hire, and free mailing of up to 48,000 pieces a year. The bill as passed by the House gives former Presidents pensions of $25,000 a year, and their widows $10,000. No more.

We share in the desire that former Presidents should not be reduced to selling apples in front of the White House. The perquisites against which Representative JOHANSEN acted are another matter entirely. The terms of the bill as passed in the Senate and offered in the House would, as JOHANSEN said, have "begun the buildup of a bureaucracy of actual officeholders around a nonexistent office," that of former President. Staff hire of at least $60,000 a year, franking privileges, free office space—these privileges envisage a large perpetual lobby centering around every past President. The sort of thing the country can well continue to do without.

The personal pension is a suitable expression of a grateful public—without saying whether the gratitude is for the person of the ex-President or for his retirement from office. It exempts the Nation from the possibility of a move from the White House to the poorhouse. It removes a conceivable temptation to cash in on high office by undignified or improper means, lest lean days follow. Though no one who can now be identified as a beneficiary of the new pensions has any visible need for checks from the public treasury, the proposed payments are appropriate to both the Presidency and the Congress.

A tribute completely earned and well deserved.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remaining time to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Speaker, I take this time to call the attention of the House to some 11 bills which have been passed by the other body. Each of these bills has a definite effect upon public-debt transactions, if they are passed by the House of Representatives. I refer to bills that carry legislative authority to obligate the Government without any review or further consideration by the House Appropriations Committee. Public Law 364 of the 85th Congress—emergency housing—carries an increase in the public-debt transactions of $1,900,000,000. Public Law 85, which was not reflected in the budget, would have the effect of increasing our national debt $2 billion.

Senate bill 3651, the small-business investment bill, carries a figure of $250 million.

The Community Facilities Act, which passed the other body, carried an increase in the national debt of $900 million.

S. 3683, the depressed-areas bill, involves a debt increase of $300 million.

S. 4036, the mineral stabilization bill, $350 million, as passed by the Senate. The bill, as reported to the House, authorizes a debt increase of $650 million.

S. 3502, which has been passed by the other body and awaits action here in the House, the airport-grant bill, carries a debt-increase figure of $500 million.

S. 4035 carries a price tag or debt increase of approximately $2,475 million as passed by the Senate.

S. 3468, the Navaho-Hopi hospital rehabilitation act carries a debt increase of $20 million.

The highway act, which we passed in the 85th Congress, Public Law 381, increased the national debt by $269 million in this fiscal year.

None of these figures were reflected in the budget which was submitted to us by the executive branch. These authorization bills are certainly going to be reflected in the national debt if finally approved. This is in addition to the budget expenditure estimates as presented by the Bureau of the Budget to the House Ways and Means Committee. These bills carry direct contract authorization or authority to obligate the government without even clearing the Committee on Appropriations.

It should be further pointed out that these bills are in addition to budget increases already approved and also in addition to many other bills costing vast amounts of money which have passed or will pass before the adjournment of Congress.

We are on a spending spree of which I want no part. I think we are headed for serious trouble. I think it is time that this Congress went home. This would be in the best interest of future generations of Americans and in the best interests of today's taxpayers.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. LAIRD. I yield.

Mr. COLLIER. I would just like to make this one observation. If the Members of this Congress are consistent and I certainly am prepared to believe that they are, I do not think we should have any trouble with this bill today. There are those in the Congress who have voted consistently for economy. I do not think they are morally obligated to vote for this bill. On the other hand, there are those who voted for all spending programs. I think they are obligated to vote for it. Therefore, I do not think the bill should have any trouble in passing.

Mr. LAIRD. The problem is that those people who practice real fiscal responsibility sometimes are the ones who have to face up to the Nation's tax problems and also the debt problems. It seems like the spenders like to run from tax-increase bills. They believe in big spending but want some other generation to pay the bill.

Mr. Speaker, under unanimous consent I include in the RECORD at this point a chart showing the status of the bills I referred to at the start of my remarks:

Authority to obligate the Government carried in legislative bills, 2d sess., 85th Cong. (public debt transactions and contract authorities as of Aug. 4, 1958

Bill	Subject	Budget report	House	Senate	Final	Plus or minus compared to budget requests
Public Law 85-364 (S. 3418)	Emergency housing		1,900,000,000	$1,900,000,000	$1,900,000,000	+$1,900,000,000
Public Law 85-424 (S. 3149)	Export-Import Bank, lending authority	$2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	
S. 3651	Small-business investments			250,000,000		
S. 3497	Community facilities			900,000,000		
S. 3683	Depressed areas		[1] 200,000,000	300,000,000		+200,000,000
S. 4036	Minerals stabilization		([2])	350,000,000		
S. 3502	Airport grants			500,000,000		+500,000,000
S. 4035	Housing Act of 1958	[3] 1,500,000,000	[1] 2,500,000,000	[3] 2,475,000,000		+550,000,000
S. 3468	Navajo-Hopi Rehabilitation Act			20,000,000		+20,000,000
Public Law 85-381 (H. R. 9821)	Highway Act of 1958		209,000,000	269,000,000	235,000,000	+235,000,000
	Subtotal	3,500,000,000	6,359,000,000	8,964,000,000	4,135,000,000	+3,405,000,000
Public Law 85-426 (H. R. 5836)	Postal rate increase [4]	−700,000,000	−550,000,000	−730,000,000	−453,000,000	+247,000,000
	Total	2,800,000,000	5,809,000,000	8,234,000,000	3,682,000,000	+3,652,000,000

[1] Committee, as reported.
[2] As reported, strikes public debt item. Substitutes authorization for appropriation, in amount, however, for $650,000,000 rather than $350,000,000.
[3] In addition, guaranteed loans. Budget, $100,000,000; Senate $250,000,000.
[4] By reducing rate increase proposed by President the effect would be to increase appropriation for postal deficit (figures supplied).

The SPEAKER. The time of the gentleman from Wisconsin has expired.

TO AMEND TITLE V OF THE AGRICULTURAL ACT OF 1949

Mr. THORNBERRY, from the Committee on Rules, reported the following privileged resolution (H. Res. 672, Rept. No. 2448), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 10360) to amend title V of the Agricultural Act of 1949, as amended, by striking out the termination date. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield to the gentleman from Georgia [Mr. FLYNT].

TO AMEND THE INTERSTATE COMMERCE ACT

Mr. FLYNT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 377) to amend the Interstate Commerce Act to provide a 2-year statute of limitations on actions involving transportation of property and passengers of the United States Government and to provide that reductions for overcharges by the United States shall be made within 3 years from time of payment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Interstate Commerce Act is amended as follows:

SECTION 1. At the end of section 16 (3) (e) add the following sentence: "With respect to the transportation of property or passengers for or on behalf of the United States, the cause of action shall be deemed to accrue upon the date of payment of the charges for the transportation involved or upon the date of a subsequent collection for overcharges made by the United States, whichever is later."

SEC. 2. Add the following new subparagraph to section 16 (3) as subparagraph "(i)":

"(i) The provisions of this paragraph (3) shall extend to and embrace all transportation of property or passengers for or on behalf of the United States in connection with any action brought before the Commission or any court by or against carriers subject to this part."

SEC. 3. At the end of section 204a (4) add the following sentence: "With respect to the transportation of property or passengers for or on behalf of the United States, the cause of action shall be deemed to accrue upon the date of payment of the charges for the transportation involved or upon the date of a subsequent collection for overcharges made by the United States, whichever is later."

SEC. 4. Add the following new paragraph "(7)" to section 204a:

"(7) The provisions of this section 204a shall extend to and embrace all transportation of property or passengers for or on behalf of the United States in connection with any action brought before any court by or against carriers subject to this part."

SEC. 5. At the end of section 308 (f) (2) add the following sentence: "With respect to the transportation of property or passengers for or on behalf of the United States, the cause of action shall be deemed to accrue upon the date of payment of the charges for the transportation involved or upon the date of a subsequent collection for overcharges made by the United States, whichever is later."

SEC. 6. Add the following new subparagraph "(6)" to section 308 (f):

"(6) The provisions of this paragraph (f) shall extend to and embrace all transportation of property or passengers for or on behalf of the United States in connection with any action brought before the Commission or any court by or against carriers subject to this part."

SEC. 7. At the end of section 406 (a) (4) add the following sentence: "With respect to the transportation of property or passengers for or on behalf of the United States, the cause of action shall be deemed to accrue upon the date of payment of the charges for the transportation involved or upon the date of a subsequent collection for overcharges made by the United States, whichever is later."

SEC. 8. Add the following new paragraph "(7)" to section 406a:

"(7) The provisions of this section 406a shall extend to and embrace all transportation of property or passengers for or on behalf of the United States in conection with any action brought before any court by or against carriers subject to this part."

SEC. 9. Section 322 of the Transportation Act of 1940 (49 U. S. C. 66) is amended as follows:

(1) By striking the word "overpayment" and substituting therefor the words "overcharge as defined in the Interstate Commerce Act and payment in excess of rates, fares, and charges established pursuant to section 22 of the Interstate Commerce Act."

(2) By striking the period at the end and adding a colon and the following new provision, *"Provided, however*, That such deductions shall be made within 3 years (not including any time of war) from the time of payment of bills: *Provided further*, That every claim cognizable by the General Accounting Office for charges for transportation within the purview of this section shall be forever barred unless such claim shall be received in the General Accounting Office within 3 years from the date of payment of the charges for the transportation involved or from the date of a subsequent collection for overcharges made by the United States for such transportation."

SEC. 10. The provisions of this act as amending the Interstate Commerce Act, as amended, shall apply only to causes of action which accrue on or after the effective date of this act. The provisions of this act as amending section 322 of the Transportation Act of 1940 (49 U. S. C. 66) shall apply only to transportation performed and payment made therefor subsequent to the effective date of this act.

Mr. FLYNT. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FLYNT: Strike out all after the enacting clause in S. 377, and insert the text of H. R. 8742 as passed.

Mr. ALLEN of Illinois. Mr. Speaker, may I inquire what this is all about?

Mr. FLYNT. This is the same bill which was passed under suspension of the rules earlier today.

Mr. ALLEN of Illinois. Has it been cleared by both sides?

Mr. FLYNT. Yes; it has.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table; a similar House bill was laid on the table.

INCREASE IN PUBLIC DEBT LIMIT

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I move that the House resolve itself in the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 13580) to increase the public debt limit.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 13580, with Mr. EDMONDSON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Arkansas [Mr. MILLS] will be recognized for 1 hour, and the gentleman from New York [Mr. REED] will be recognized for 1 hour.

The Chair recognizes the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill H. R. 13580 now before the Committee, to raise the debt limit, was reported by the Committee on Ways and Means with only one dissenting vote, on the basis of a specific request by the President for this legislation.

Following the President's request, the committee heard the testimony of the Secretary of the Treasury and the Director of the Bureau of the Budget in support of the request. The committee also heard our distinguished colleague from Texas, Mr. PATMAN, in behalf of certain amendments that he advocated.

Mr. Chairman, the bill itself poses a very serious matter, one that we do not like, and places the Ways and Means Committee in a position that the committee certainly would prefer not to be in. The chairman of that committee does not look with relish upon this responsibility. The bill itself, however, Mr. Chairman, is not technical and detailed. It is, I think, easy of understanding.

The first section strikes the figure $275 billion as the permanent debt limit, and inserts the figure $285 billion.

Section 2 of the bill provides for an additional temporary debt celing beyond $285 billion to $288 billion, from now through June 30, 1960.

Section 3 repeals the action which was taken by the Congress which became law on February 26, 1958, wherein the Congress extended the debt ceiling on a temporary basis from $275 billion to $280 billion, through June 30, 1960.

Mr. Chairman, the issue before the House at the moment is not whether this legislation is needed. There has been full discussion of the need for this legislation through consideration of the resolution making the bill in order for consideration. The issue primarily is one of whether the Congress on the facts is justified in providing for a so-called permanent increase in the debt ceiling; or whether the action taken now should merely provide for a temporary increase in the debt ceiling.

Let me, Mr. Chairman, make my own position on that point quite clear. Many Members will recall that in 1954 when a request from the administration came to Congress for an increase in the debt ceiling on a permanent basis from $275 billion to $290 billion, I offered, contrary to the wishes of my own leadership, contrary to the thinking of the administration, a motion to recommit the bill to provide for a $15 billion temporary increase in the debt.

I do not view this matter of debt ceiling lightly as many people do; I have always thought that it serves the Congress a purpose. I wanted the Congress to have a greater opportunity, then, to review our fiscal situation; so I asked you to recommit the bill and make that debt increase temporary. But the committee refused to follow my suggestion. The matter went to the Senate, and there it was converted into a temporary debt ceiling increase.

I thought I was right, and I thought the other body was right at that time in providing for a temporary increase in the debt, because in 1954 I thought I could see a day in the near future when we might be able to accumulate enough surplus in excess of our expenditures to remove the need for a temporary increase in the debt ceiling.

Mr. Chairman, it has turned out in the last few years that my thinking was right, because instead of the debt staying at the higher figure of $281 billion as it was then enacted in 1954, we found it possible to decrease that temporary increase from the $6 billion to the $3 billion in a later year and to eliminate the temporary increase entirely in a subsequent year.

So I say today, Mr. Chairman, with a great deal of regret that I cannot justify to the Members of the House on this occasion the advisability of just a temporary increase in the debt ceiling. I cannot foresee in the next 3 or 4 years the development of a situation that will permit this debt to drop below $285 billion; that is, enough below to return to a ceiling on a permanent basis of $275 billion.

I am just as concerned, if not more so, Mr. Chairman, about the American people's destroying our way of life and all those things which we have inherited from the past as I am about those things being destroyed by forces without the United States.

Mr. Chairman, when we are in a period such as the present, I think it is incumbent upon all of us, not only the Members of Congress but every man, woman, and child in the United States—to develop a degree of statesmanship with respect to our attitude about Government spending and fiscal responsibility that we have not yet attained in the history of the United States. I am not saying that, Mr. Chairman, because I am so concerned about the immediate situation, but because I am concerned about the trends of the immediate situation.

Mr. Chairman, it has been said that we will have a deficit in the fiscal year 1959 of $12 billion. Oh, I could point out to you that that is the largest deficit that we have experienced at any time in our history except in periods of a shooting war. I could point out to you, Mr. Chairman, that that deficit results from the highest level of Federal spending that has ever occurred in our history during any period of time when we were not involved in a shooting war. But those are facts which every Member of this House knows. We are facing a situation head on today which none of us relishes but which we cannot duck.

We are now at a level of Federal spending, Mr. Chairman, estimated by the Director of the Bureau of the Budget for the fiscal year 1959 to approximate $79 billion. In answer to my questions during the course of the consideration of this measure in the committee the Director said that in all probability, for purposes of our consideration with respect to the debt ceiling, we would be safer to assume a level of Federal spending at $80 billion for this fiscal year instead of $79 billion. At the same time revenues have dropped from an estimate, in January for this fiscal year, of $74 billion plus to $67 billion. When we expected in January to have a surplus of $400 million in the fiscal year 1959, the facts are that present estimates indicate a $12 billion deficit.

I can assure you that I could sleep better and I am sure the country would be less concerned, if I could tell you today that this is a temporary situation and one from which we will recover at the end of this fiscal year. In the hearings I asked of the Director of the Bureau of the Budget how soon, after we once attain a level of spending of $80 billion a year, can we get below that level of spending without a disarmament program or something of that sort? Will we do it in the next 4 or 5 years? Should we not realistically face the future with the thought in mind that we are likely to spend in the course of 5 fiscal years, including the present one, approximately $400 billion without getting into any open conflict?

The Director of the Bureau of the Budget indicated in his answer that it was more than a possibility. I know, as we sit here today thinking of these serious matters that during that same period of time existing tax rates will not yield $400 billion. So it is quite evident, as we ask you today to raise the limit to $288 billion that we cannot in truth tell you that this will solve the situation for the years beyond June 30, 1959.

The Secretary of the Treasury told us very frankly in the course of the hearings that this entire matter of the debt ceiling would have to be again reviewed by the Congress next year, and as we start another fiscal year, 1960. What will that type of Federal spending, and the deficits that it contemplates, do to this economy? What will that rate of spending do to this economy? I do not know for certain.

I have some ideas. It could let loose inflationary pressures that in turn will be emulated by business and labor. The result could be that during the course of the next several years we will see rises in prices such as we have not seen in peacetime.

Mr. Chairman, in view of the gravity of the problems with which we are dealing today, I hope there will be a development of a degree of statesmanship and reality on the part of every man and woman in all walks of life. I hope that they will not continue to believe that that man or woman who merely asks for their support on the basis of getting more and more from the Federal Treasury will in the end do them the service that the request purports to do. I hope.

Yes; this is a serious matter today. Maybe we should have brought this bill to you earlier in the year, because, certainly, it was clear to us in March and April that we would be here before the adjournment of the Congress with this request. We indicated on the floor of the House during debate on the tax extension bill that we would be back. But under the circumstances, there is nothing we can do but face up to the fact that the obligations exist and we must pay the piper. The money has nearly all been appropriated. We cannot pay through revenues collected from our system of taxation. We must borrow this additional amount in order to meet the bills in this fiscal year.

Mr. REED. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this debate today reminds me of a story that I think I may have told on the floor once before.

I do not know how many of you have even been up around Buffalo, N. Y., especially over in Black Rock, where you look out upon the placid Niagara River. It is a beautiful sight. It is a tempting sight, because there are boats there that you can rent and go out for a ride, if you are experienced and know what you are doing when you get on that river. The scenery there is very beautiful.

One day a group of people came there who were not familiar with the river. They saw it, and they had their luncheons with them, and some musical instruments, banjos and guitars. They rented a boat. They got out on the river, and the current took them quietly along. They did not have to work.

They had gone for a short time down the river when they commenced to go a little faster. Suddenly somebody on the shore shouted to them, "Hey, there."

They said, "What do you want?" He said, "The rapids are below you." They laughed, played their music and said, "This is fine, it's wonderful, it's joyous. Look at the farms around here, look at the herds. Isn't it beautiful?"

Pretty soon another man called out, "Hey, there. Ship ahoy." They answered, "What do you want?" He said, "The rapids are below you." They said, "What do we care?"

They rode on. After all, they did not have to work. A third time they were notified. They were going still faster. Finally the fourth time they were notified. They looked ahead and they saw there the great white waves of water going over the rocks leading to the falls. They took hold of the oars and started working. They rowed until the blood rushed from the palms of their hands. But they had waited too long. Over they went, and down over into the cataract 160 feet into the boiling waters below.

Mr. Chairman, what I have heard here today is only a reminder.

This Congress has been notified from time to time. There are only two men in the House of Representatives who have been in the Congress as long as I have. I have participated in the making of a lot of history. A lot of water has run over the dam. I came to the Congress when the national debt was only $26 billion. We started to retrench. We were being flooded with imports. We had not rehabilitated all the machinery abroad so that they could compete with us. So we went along for 4 years retrenching—not spending. Finally, we reduced taxes. They were then the highest that they had ever been. We reduced taxes four times in a period of about 5 years. We reduced the debt from $26 billion to $16 billion when things broke abroad and we were in the 1929 depression, and since that time we have had a different experience. We have been in wars and we have been spending money. We have been spending money like drunken sailors to use the slang expression. We are beginning to get now where we have been notified time and again that the rapids are below us and we are not paying any attention to it. I had a check made to see how much expenditures I have voted against during my service in Congress. I have voted against $68 billion during the 40 years that I have been here. I have not heard a peep out of anybody here about expenditures for foreign aid. Every Member on this floor knows that the combined debts of all the nations of the world are not as great as our debt. Yet, we are pouring out these funds to these people abroad in disregard of our domestic needs. We are rehabilitating their machinery. They are invading our markets. I can give you a list here of our industries that are on the way out as a result of that. I could go on here talking for a long time on this question of the national debt, but I just want to remind you now that we have to do this task today. It is a very unpleasant job, but we have to increase the national debt limit. Why if the time ever came when we could not meet the payrolls of this government and we could not meet the payrolls not only here in Washington but throughout the country, there would be a run on every bank in this country. You know that just as well as I do. We cannot afford to take that chance. We are faced with this situation. We have had a spending spree and now we have got to pay for it. We have to begin to tighten up our belt and meet this situation.

Mr. Chairman, for the second time in this 2d session of the 85th Congress I find myself compelled to rise to urge the membership of the House to enact legislation that has as its purpose the increase in the statutory debt limit.

The first occasion was a legislative proposal to provide a temporary increase of $5 billion. This was in January 1958. Since that time subsequent fiscal experience and subsequent action by the Congress calling for increased spending has necessitated the consideration of the legislation before us today to provide a permanent increase in the statutory debt limit to $285 billion and a temporary increase over and above that amount to $288 billion.

I assure the membership of the House that the Committee on Ways and Means has not favorably acted on this legislation and the distinguished chairman of the committee and I are not speaking in favor of its enactment without there being urgent need for so doing. The details of this need are documented in the record of the hearings by the committee which was held on June 30, 1958, and are summarized in the committee report which accompanied this bill to the floor of the House of Representatives. I will not undertake to restate that need. Instead, I will direct a few remaining remarks that I will make to the future—both immediate and long range.

In what we hope are the few remaining days of the current session of the 85th Congress we will be called upon to vote on several legislative proposals which in cumulative effect will authorize the expenditure of several billions of dollars. In determining our position on this legislation and in evaluating the essentiality of the programs provided for therein, I urge my colleagues to bear in mind that such programs will be financed by deficit spending and paid for by tax burdens passed on to succeeding generations. I stress the fact that the deficit financing that may occur in the next few fiscal years will not be offset by budgetary surpluses that may be realized immediately thereafter.

The fiscal prospects for the next several years are prospects at best of very modest surpluses and more likely are prospects of continued deficits. The extent of such deficits will in large measure be determined by the frugality or profligacy that we as individual members bring to the determination of our position on legislative programs involving the expenditure of Federal funds. We can in good conscience claim that we have diligently and ably represented the welfare of our Nation and its citizens only if we use an inflexible criteria of absolute essentiality in supporting the expenditures of public funds. When we do anything else, we are in effect voting against tax reduction: When we do anything else, we are denying to the taxpayers of the future the prospects for a less-onerous tax burden: When we do anything else, we are depriving our free-enterprise economy of the vitality that is so necessary to sustain the greatness of our Nation.

Mr. Chairman, I believe that during my tenure in the House of Representatives my record shows consistent and unstinting endeavors against the mounting public indebtedness that today requires annual interest payments of over $7 billion. The affairs of the world and the affairs of our Nation have now brought us to a posture of having to make the hard decision as to whether or not our Federal Government will continue to have the confidence of the people with respect to the integrity of our monetary affairs.

I urge my colleagues in the House to support the bill, H. R. 13580, but even more important, I urge my colleagues in the House to exercise wisdom and forebearance in authorizing the expenditure of Federal funds.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. KARSTEN].

(Mr. KARSTEN asked and was given permission to revise and extend his remarks.)

Mr. KARSTEN. Mr. Chairman, this is a lamentable occasion. The Committee on Ways and Means brings before the House the request of the President to increase the ceiling on the national debt from its present permanent level of $275 billion to $288 billion. In this overall $13 billion increase in the debt ceiling, provision is made at the request of the President to raise the permanent debt ceiling to $285 billion, with a $3 billion temporary increase on top of that.

The 1956 Republican Platform, among other things, promised a gradual reduction in the national debt. When the Republican administration assumed office, our national debt was then $266 billion. Year by year, under Republican fiscal policies, the debt advanced, at the end of fiscal year 1958 it reached a high of $276 billion. On top of this huge deficit comes the request from the President for authority to go into debt for another $13 billion. This is not the first time the President has asked the Committee on Ways and Means to enlarge the public debt. Rather, this is the fifth time in as many years. Never has the Republican Secretary of the Treasury been sent to the committee to lower the debt. His mission is always to raise the debt. By contrast, the last Democratic administration in 1946 reduced the debt ceiling $25 billion.

If the Democratic Party were in control of the executive branch of the Government, we would be accused of fiscal irresponsibility. These repeated increases in the debt ceiling would be called deficit financing. And quite likely, the proceedings in this debate today would have to be printed in red ink.

Perhaps it would be unsportsmanlike for us to apply such descriptive terms to the Republican Party in its present financial distress. The Republican fiscal policy is lying flat on its back and although there is a slight temptation to kick it, we must be charitable and sympathize with the poor Republicans. They are suffering from fiscal sickness and financial misery.

After all, we must keep in mind that the Republican administration is deep in a morass of troubles. Most of the Republican distress comes from fiscal and economic mismanagement. Instead of the sound economic policies they promised in their platform which would create "an atmosphere of confidence in which good businesses flourish and create job opportunities for our expanding population," the Republican administration has had a head-on collision with a new kind of depression which is referred to as a recession. There is not much difference between the effects of a recession and a depression. They have the common characteristic of decreasing Federal revenue. This recession, with its 5 million unemployed, has had a direct and immediate impact upon the national debt.

In the fiscal year ended last June, the Republican administration incurred a deficit of almost $3 billion. This deficit was brought about because our net revenues amounted to only $69.1 billion instead of $72.4 billion which the Secretary of the Treasury had estimated earlier this year. While some unkind Republicans may seek to place blame on the Congress, the Eisenhower administration has unwittingly volunteered to accept the responsibility. In accepting the blame, the Secretary of the Treasury, before the Committee on Ways and Means, said:

> It was particularly difficult to estimate the extent of the change in economic conditions.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. After I have finished my statement.

Mr. LAIRD. I would like to know if the gentleman can inform me of any spending request that he has voted against.

Mr. KARSTEN. Before I answer that question, is the gentleman challenging the sincerity of my lamentations?

Mr. LAIRD. I am not.

Mr. KARSTEN. I am very glad of that, because I have a record of supporting the administration most of the time.

Mr. LAIRD. I think the Congress has some responsibility in balance. As I read the Constitution, I think it was clearly set forth in the Constitution that the Congress would share some of this responsibility. I am one who is willing to see the responsibility shifted from the Congress.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. KARSTEN] has expired.

Mr. IKARD. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. KARSTEN. The gentleman's administration has already volunteered to accept the blame. I was in the process of quoting the Secretary of the Treasury:

> The impact of the recession on corporate profits, which are such an important source of revenue, and the extent of the duration of the interruption in the growth of personal income were hard to foresee.

The statement of the Secretary of the Treasury is not difficult to understand. He said simply that neither idle people nor idle factories pay income taxes and as a result Federal revenues are down approximately $3 billion.

To make matters worse, the Secretary of the Treasury departed from the Committee on Ways and Means openly predicting that the administration will pile up another budget deficit of about $12 billion during the remainder of the current fiscal year. That is not all, for the Secretary left the committee with the parting thought that he may be required to seek a further increase in the public debt ceiling above the $288 billion early in the next Congress. It is obvious that the statutory debt ceiling has had little or no effect over the last 6 years other than to serve as a source of embarrassment for the Republican Party.

Again I say, this is a lamentable occasion. The sweet soothing fiscal promises of the Republican platform have lost their flavor and have turned sour. They recall to mind four ancient lines:

> A moment's halt—a momentary taste
> Of being from the well amid the waste—
> And, lo!—the phantom caravan has reach'd
> The nothing it set out from—Oh, make haste!

Yes, Mr. Chairman; the Republican fiscal caravan has reached the nothing it set out from. We must make haste. We have no alternative but to raise the debt ceiling to $288 billion if we are to preserve our remaining financial integrity.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield.

Mr. McDONOUGH. The gentleman apparently is attempting to make this a party issue. If he is making it a party issue, I would appreciate if he would review the Democratic Party's fiscal responsibility over the years. The only time that the public debt was reduced was under a Republican Congress.

Mr. KARSTEN. The gentleman is absolutely wrong.

If I may refer the gentleman to the committee report, he will find a chronological list of the national debt ceilings and its fluctuations since the very beginning. The greatest reduction ever made was in 1946, not under a Republican administration, but under a Democratic administration, when we reduced the national debt ceiling $25 billion. That was the biggest reduction ever made at any one time.

Mr. McDONOUGH. I think the record will show that there have been more logical considerations, more fiscal responsibility shown by the Republicans.

Mr. KARSTEN. I do not agree at all with the gentleman. I will concede that the Republican administration balanced the budget perhaps on 1 or 2 occasions, but so have previous Democratic administrations.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield.

Mr. GUBSER. The gentleman has stated that during the administration of President Truman the debt ceiling was reduced by $25 billion.

Mr. KARSTEN. Twenty-five billion dollars.

Mr. GUBSER. I believe the gentleman, in his fairness, which I have always known in him, would also like to state that this represented a changed accounting system. It did not represent a single cent's reduction in the obligations of the Federal Government, nor a single cent of reduction in the national debt. Is that not right?

Mr. KARSTEN. I do not believe the gentleman is correct. That was the year during which we had a great many rescissions of contracts and appropriations that reduced expenditures from the Treasury. As a matter of fact, in 1948 we had the national debt down to about $252 billion. That was prior to the Korean war, I may say to the gentleman.

Mr. GUBSER. I will submit figures later in the well of the House that will prove my point that the gentleman is absolutely wrong.

Mr. KARSTEN. I do not believe it will be possible to do so.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield.

Mr. McCARTHY. I think the gentleman should make clear that the gentleman is not imposing a Democratic standard on this administration, but he is simply quoting the standards of the Republicans, that they themselves set in the campaign of 1952, and asking the Congress to judge them only by their own standards; and since they are Republican standards they ought to be low enough.

Mr. KARSTEN. The present controversy seems to arise from the fact that the Republican administration prefers to be judged by its campaign promises rather than its performance. The Republican fiscal record is a sad one but it is the basis upon which the Congress and the country must pass judgment. Secondhand Republican campaign promises, or future Republican campaign promises are futile gestures now. The record speaks for itself.

Mr. REED. Mr. Chairman, I yield 15 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, there seems to be a feeling among some of the public that, if we vote against increasing the debt limit, it would in some way prevent further spending. Of course, this is not true. When the Congress appropriates money, most of it will be spent, debt limit or no debt limit.

Mr. BUDGE. Mr. Chairman, will the gentleman yield at that point?

Mr. KEAN. I yield to the gentleman.

Mr. BUDGE. I am not quite clear as to the gentleman's conclusion. I have in my tenure in the Congress voted twice to increase the debt limit. I have, however, concluded that in view of the fact that I have opposed practically all of the

spending legislation, I have no obligation to again vote to increase the debt limit.

My question is this: Why does the gentleman conclude that failure to increase this debt limitation will not curtail Federal spending? Could not the Executive withhold a great deal of the money which has been appropriated by this Congress?

Mr. KEAN. Yes; he could withhold some of it.

Mr. BUDGE. Could he not withhold enough so that it would not be necessary to exceed the present debt limit? I think he can in those areas that were set out by the gentleman from Minnesota [Mr. LAIRD] a few minutes ago. That would be considerable.

Mr. KEAN. I would say that, if the President cut our defense program heavily, he might be able to do so. But the gentleman must remember that 83 percent of the expenditures of this Government go either for paying for past wars, veterans' benefits, debt service, and so forth, or for defense expenditures to avoid future wars which we hope will not come.

Mr. BUDGE. If the gentleman will permit me just briefly, suppose we take the category of foreign aid where we have over $8 billion appropriated. The administration proposes to spend less than $4 billion. Why should we obligate the other $4 billion? Why could we not take that off of this increase in the national debt?

I think the Congress itself is absolutely responsible for this increase in the national debt. I think the Congress itself should at this time say to the Executive: We do not want to increase the national debt any further. We want you to live within what has been set and the national debt regardless of our extravagance in appropriations during this fiscal year.

Mr. KEAN. I would just add that it is my belief that our spending for mutual security is for the best interest of the defense of the United States.

Mr. MILLS. Mr. Chairman, will the gentleman yield at that point?

Mr. KEAN. I yield.

Mr. MILLS. Would not my friend from New Jersey feel that it would impose an unbearable burden upon any administration for the Congress to say that we are to appropriate $79 billion for which we have got $67 billion to pay, but we want you to do what we ourselves would not do, determine wherein that $12 billion or $13 billion is to be made. Would the gentleman want to put that responsibility on any administration?

Mr. KEAN. It would be a ridiculous situation, and it would be cowardice on the part of the Congress.

Mr. BUDGE. Mr. Chairman, will the gentleman yield briefly at that point?

Mr. KEAN. I will yield later.

Mr. BUDGE. I would like to answer the gentleman very briefly.

This Congress should be big enough to say Mr. President we now feel that we have appropriated far too much money this year and we now ask that you limit the spending to stay within the present debt limit. That is the very responsibility of this Congress; to admit the mistake and correct it.

Again I say, my record in opposition to the spending bills is patently clear and I feel no obligation to vote for this bill. Again, I recommend that the Congress live up to its oath of office and correct this tragic mistake of its own making.

Mr. KEAN. Mr. Chairman, perhaps if we did not raise the limit the Treasury would have to try to sell bonds anyway, in spite of the law—otherwise they could not meet the payroll or pay interest on outstanding bonds, or pay the bills for Government purchases, but there would be doubt of the legality of the bonds they sold, and purchasers would demand a much higher interest rate. Certainly, the Secretary of the Treasury would be breaking the law, but I doubt very much if any jury would convict where there was such a conflict in the mandates of Congress. So this bill must be passed.

The debt limit should also be raised to a comfortable figure, for this will save money, for when spending is pushing the debt limit the result of having a fixed limitation is to make the Treasury take many steps which are not in accord with good fiscal practice in order that they may keep under the ceiling.

Continued need for juggling our finances is certainly not wise, and is sometimes expensive. It certainly interferes with proper debt management which consists of selling Government obligations at the time the bond market is most favorable, and the Treasury should not be forced to await a time dictated by the debt ceiling.

Hitting the market at the proper time can save the Government a lot of money in additional interest.

From the above facts it might seem that any debt limit is a futile gesture, and some have argued that our debt limit should be abolished. It is a gesture—but it is, however, a gesture which does have, in my opinion, one very worthwhile result, for its calls attention to the people of the United States that we are spending much more than we are taking in and perhaps some day may arouse the public to demand that we halt reckless spending.

Why is passage of this distasteful bill necessary? First, because, owing to the recession, the revenue will be $7 billion less than was estimated in President Eisenhower's budget message of last January.

At that time I made a public statement that, with business conditions as I saw them then, it seemed that his estimate was very optimistic. I am sorry I was right, but low earnings by corporations, and the resultant lower receipts from corporation income taxes, have substantially reduced the estimated revenues from this source.

Then, on the spending side. This Congress has increased expenditures by more than $5 billion. It may be more if some of the bills reported by committees become law.

The public might think that the Congress, realizing that income would be much less than expected, would be more careful in its spending, but this is not so.

Almost every pet spending scheme has been trotted out, given an anti-recession label and pushed toward enactment.

The fact that the estimated deficit will be so large has resulted in Members approving more and more expenditures with the excuse that if the deficit is going to be $12 billion anyway, what great importance is there in adding to it additional expenditures of just a few hundred millions.

Many of the public have accepted though reluctantly the need for increased spending with the thought in mind that most of this was for defense, and they know that defense spending is essential. However, they should realize that the additional defense spending over the President's initial recommendations for these purposes will be less than a billion dollars this year.

True, as orders are filled and missiles and other tools of modern warfare must be paid for, there will be a further increase in military spending. Increases in this field are inevitable over future years, and necessarily all of this adds to the gloomy picture of our financial future.

Where are these big increases then? They are in the farm program, in pay raises, in housing, in public works, in unemployment benefits, etc. Some of these are necessary. Some—like unemployment benefits—are truly anti-recession measures.

So we see that a combination of lower income, plus additional spending will result in a deficit of twelve or thirteen billion dollars for fiscal 1959. It is a frightening figure.

Expenditures will be close to $80 billion this year, and with increased military expenditures, we will have to count on a spending budget of at least $80 billion annually for the next few years. Where is the revenue coming from to pay for this?

If we return to high prosperity it is possible though improbable, that we might again in 1960 have an income close to $74 billion, but this would still mean a deficit of $6 billion that year. Then with the natural growth of the economy, income might increase by some $2 billion every year. But even under those favorable circumstances there would still be a sizable deficit for the next 5 years.

What will all these heavy deficits do to our economy? Will they not be a basis for a further rise in prices? Does not full prosperity in itself tend to bring inflation? And if we have inflation, will we be able to keep the budget at $80 billion? Will not the cost of our planes, our missiles, our nuclear submarines, and the other items upon which we spend two-thirds of our budget, go up by leaps and bounds? Certainly under present tax laws, the revenue would not keep pace with the necessary increased expenditures.

Now everybody acknowledges that our present taxes are too high for every segment of our population. We yearn to reduce them. But if we continue spending at a greater and greater rate, will we not have to seek new sources of tax

revenue, rather than be able to reduce taxes?

True, there are a few areas in which lower taxes might well increase revenue. However, most of these would be in the field of those with incomes above the average, and you all know that for practical political reasons it would be almost impossible to reduce such taxes, without at the same time making a substantial cut for the average taxpayer, and any cut in their brackets would result in a very substantial loss of revenue for it is in the medium tax brackets that most of the income of the American people is found.

There is an interesting figure on page 44 of the hearings. There you will note that ever since the end of World War II, even though the Federal debt has increased slightly over the years, the relationship of our debt to our gross national product—in other words, the burden of our debt on our people—has gradually been reduced. In 1947, our debt was 110 percent of our gross national product. By 1952, it had dropped to 74 percent. And during the present administration, it dropped to 61 percent in 1957. However, it has now started to rise again. This year, it was 64 percent and next year it will undoubtedly be higher.

So what are we faced with? If the Government continues to spend at the present rate, or at an increased rate owing to our military needs, are not higher taxes or is not further disastrous inflation inevitable? And you all know the effect of inflation on all those with fixed incomes, on all those who have retired feeling that they had assured themselves income sufficient for comfortable retirement. And what would a rise in the cost of living do to our veterans' pensions, to our Government payroll? All will justifiably demand increases. Where will we get the money? If we spend more for these purposes it will further unbalance our budget and call for either more taxes or more inflation. I certainly do not favor either—

And how about social security? We would again inevitably have to increase benefits of those now retired. Where would we get this money? The billions in the trust fund were placed there through taxes on a wage scale based on a past value of the dollar. If there is not enough money in the trust fund, and the system is precariously balanced at present, would there not be a demand to dig into the general revenues for these additional benefits? And there you have more expenditures and more of a base for further inflation.

Mr. Chairman, our financial situation is very dangerous, and all signs point that it will become worse in the future. The people must realize what we are faced with. And we in the Congress for the good of all the people of the United States, and for the good of future generations, must fight against inflation. We must support the Administration in any action which it proposes to preserve the future value of the dollar. We must stop this unrestrained spending. We must economize wherever it is possible. Otherwise the outlook for future Americans is indeed dark.

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

(Mr. PATMAN asked and was given permission to revise and extend his remarks.)

NO DEBT—NO MONEY

Mr. PATMAN. Mr. Chairman, the way we are talking about debts, you would think we could do without debts, that we should not have debts; that debts are ruining the country. Actually, we have the best system on earth—the capitalistic system. The capitalistic system is based on debt. No debt—no money. Therefore, we must have debts. If we were to pay off all our debts today, we would not have enough money to do business with. We would only have the $346 million of President Lincoln money and the silver, silver certificates and coins. We would be reduced to barter. Therefore, we must have debts.

Now I do not mean by that that we must have debts that will cause ruinous inflation; but we must have debts in order to have sufficient money.

But let us look into this new debt situation.

If we raise the national debt limit, and we must, to $288 billion, as President Eisenhower has requested, for 172 million people, that means $1,674 per capita. That means that every child that is born tomorrow will have a $1,674 debt facing it.

Now we have public and private debt. The combined public and private debt amounts to $852 billion. That is, all debts except bank deposits—which I will mention later. Let us divide that $852 billion by the number of the population and we have a debt of $5,534 for every man, woman and child in America. Now let us add the bank deposits. I think bank deposits should be added. Bank deposits are debts and although some economists do not include them as debts, there is some basis for including them, because any person who has a bank deposit can demand the cash right here and now; and that cash must come from the Bureau of Engraving and Printing here in Washington. That is an obligation of the Government of the United States. Therefore, bank deposits are debts, and they are debts that are payable on demand by the Government of the United States in 1 day—in 1 hour—or 1 second—payable on demand. And when you add all those debts together and you divide the total by the number of people, you find that the public debt, public and private of all kinds including bank deposits, amounts to $6,382 per capita. Now that is a pretty good-sized debt any way you look at it.

HIGH NATIONAL DEBT IN COMPETITION WITH PROGRESS OF COUNTRY

A high national debt is in competition with the progress of the Nation. Therefore, we should be careful to pay off some of this debt just as quickly as we can and reduce just as fast as possible without causing deflation, because high national debt is in competition with the rest of the country.

Now, what should our objective toward debt be?

Clearly, all debt cannot be eliminated, and clearly, too much debt should not be eliminated. The amount of debt—public and private—determines the money supply.

There should, then, be a balance. The money supply should increase in proportion to the increased output of goods and services which are to be paid for. If the money supply increases no more rapidly than the increase in goods and services, then the effect is not inflationary. But if the money supply increases faster, then the result is inflationary. This means, then, that our objective, insofar as the Federal debt is concerned, should shoot at two targets:

First, we should avoid an inflationary increase in the Federal debt just as much as it is possible to do.

Second, in periods of high prosperity, when private debt is being expanded, we should reduce the Federal debt as much as is possible without having a deflationary effect.

Now we sometimes hear the argument that increasing the national debt is not a serious thing, because this is simply debt which we owe to ourselves. But there are two things wrong with this: In the first place, the debt is never owned by the same who owe it. Interest charges on the debt keep mounting and mounting, and while all the taxpayers are taxed to pay these interest charges, a relatively few people benefit from the interest charges.

A second and most serious consideration at this time is that this increase in the national debt is likely to be hugely inflationary. This depends upon what method is used for financing the new debt. And there ought to be, in my opinion, certain limitations and safeguards in the bill to reduce its inflationary effects to the minimum extent possible.

I appeared before the Ways and Means Committee not for the purpose of opposing this increase, but to make four suggestions for limiting the inflationary effects of this increase, for reducing the interest costs, and for making certain that we reduce the debt in periods of high prosperity.

When I appeared before the committee I suggested 4 things. Since that time, Secretary of the Treasury Anderson has filed a written letter with the Committee commenting on my suggestions. So I would now like to discuss both my 4 suggestions and Secretary Anderson's comments thereon.

FINANCE FROM SAVINGS; CREATE MONEY THROUGH THE FEDERAL RESERVE

My first suggestion was this:

First. Require that the securities issued under the increased debt authority be sold insofar as possible to individuals, corporations and to savings-type institutions; and that the portion which can be sold only by the creation of new money be sold to the Federal Reserve rather than to the commercial banks.

The reason for financing all of this debt out of the savings is to the extent that savings are used to purchase the securities, the result will not be inflationary. But to the extent new money is created to buy the securities, the re-

sult will be inflationary. New money can be created in either of two ways: The Federal Reserve System can create the money and buy the securities, or the Federal Reserve Board can reduce required reserves of the member banks and thus let the private banks create the money with which to buy the securities.

Either way the effect is inflationary; but there is an important difference. If the Federal Reserve buys the securities, then the interest charges on these securities will flow back into the Treasury and can be used to help keep the debt down. If the private banks buy the securities, then the interest charges merely go to fatten the profits of the private banks.

If we are going to create the money, we should do it in the way to help the people; not in the way to help the private banks, when they do not need the help. The banks are not rendering any necessary service to the Government when they create money to buy Government securities.

During the last few months the banks have bought over $6 billion of Government bonds. How did they do it? The Federal Reserve lowered their reserve requirements and allowed them to create the money. That was done by a ruling of the Federal Reserve Board; that ruling gave the central reserve city banks and the reserve city banks additional reserves, that cost the banks not 1 penny, with which to create enough new money to buy $6,200,000,000,000 of bonds. That part I object to.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Please do not insist on it because I do not have time.

Mr. HOFFMAN. I ask unanimous consent that the majority side yield the gentleman 10 more minutes.

Mr. PATMAN. Of course, asking unanimous consent would not be in order.

Mr. HOFFMAN. Then I want a quorum to hear what the gentleman is saying.

Mr. PATMAN. All right.

Mr. HOFFMAN. Mr. Chairman, I make a point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. PATMAN. I will yield to the gentleman.

Mr. HOFFMAN. That is all very nice, but I think the Chair is counting for a quorum.

Mr. PATMAN. The gentleman can withdraw his point.

Mr. HOFFMAN. I want the other Members of the House to hear the gentleman.

Mr. PATMAN. If the gentleman will withdraw his point of order I am sure it will work out.

Mr. HOFFMAN. The Chair is going to count a quorum anyway.

Mr. Chairman, before the Chair announces the result of the count, in response to the request of the chairman of the Ways and Means Committee, the very distinguished gentleman from Arkansas [Mr. MILLS], I withdraw my point of order. I ask unanimous consent to withdraw my point of order.

The CHAIRMAN. The point of order is withdrawn. The gentleman from Texas is recognized.

Mr. PATMAN. Now, I am very glad to yield to the distinguished gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. I have been informed and entertained by what the gentleman said. The purpose of my point of order was to give the other Members an opportunity to hear what the distinguished gentleman is saying.

Mr. PATMAN. I thank the gentleman kindly.

Mr. HOFFMAN. If they do not want to, that is all right with me.

Mr. PATMAN. I thank the gentleman; I am grateful to him.

Mr. MILLS. Mr. Chairman, in view of the generosity of the gentleman from Texas, I yield him 5 additional minutes.

Mr. PATMAN. I thank the gentleman.

The first point I have made.

Secretary Anderson's comments on this suggestion simply point to a mechanical detail. He says that when the Federal Reserve acquires Government securities, it adds to the reserves of the commercial banks and such additional reserves expand the private banks' lending capacity by $6 for each $1 of added reserves. This is entirely true. But does the Secretary go further and say that it will be more inflationary for the Federal Reserve to buy the bonds than for the private banks to buy them? No, he does not. His explanation stops short at this point.

If his explanation had been complete, he would have pointed out that we have a Federal eRserve System to adjust the amount of lending capacity of the banks. The Federal Reserve can raise reserve requirements and contract the power of the banks to create money, just as it has been lowering reserve requirements to expand the banks' power to create money.

In other words, when the Federal Reserve System buys $1 worth of Government securities, it adds $1 to the reserves of the private banks; so to offset this the Federal Reserve Board could increase the reserve requirements of the banks by $1. This would leave the banks exactly where they were before. They would not be required to reduce their loans or sell any of their securities; but on the other hand, they would not have any more credit-creating capacity than they had before.

I am not saying that there will be no inflation as a result of the Federal Reserve's creating the money to buy these securities. There will be inflation whether the Reserve System creates the money or whether the private banks create the money. What I am saying is that the amount of inflation will be the same in either case, if the Federal Reserve Board wants to make it the same, and the private banks would not be penalized. They would not suffer any reduction in the aggregate amount of credit they have available for making loans and investments.

THE TREASURY SHOULD NOT BE LENDING THE PRIVATE BANKS $3½ BILLION INTEREST FREE

Suggestion No. 2: I asked the Ways and Means Committee to consider changing the law so that the Treasury could not keep funds on deposit in private banks without interest.

Now, listen to this, Mr. Chairman: the Treasury is keeping from $3 billion to $6 billion in the private banks on deposit at all itmes from which the Government receives not a penny, but upon which the taxpayers are paying from 2 to 4 percent interest. You can figure out for yourself how much that amounts to.

Those deposits serve no purpose whatsoever that is helpful to the Government; they help only the banks. Now, if we owe the banks anything, let us pay the banks what we owe them; but if we do not owe them anything, let us not just give them the use of this money. In this way we would have from $3 to $6 billion we could apply to the national debt. These deposits amount to $3½ billion as an annual average.

Now remember, this money is not subject to check by the United States Government; it is beyond the reach of the people who issue the checks to pay the Government's bills, this $3 billion to $6 billion in the commercial banks. There is another step necessary; they must move it from the commercial banks to the Federal Reserve banks before it is subject to check. Therefore that $3 billion to $6 billion, the idle money, should be brought into the Federal Reserve banks and used to reduce the Federal debt by an average of $3½ billion.

Now in his comments on this suggestion, Secretary Anderson has made two points: His first point is that on tax collection dates huge sums of money come in, and if all of these funds were pulled into the Federal Reserve Banks immediately, the results would be to disturb the money market. Pulling in such funds would tend to drain the private banks and shrink bank reserves.

This is absolutely true. So, it would be a very simple matter for the Treasury to use these funds to buy in some of its own short-term securities. This would put the money back into the banks immediately, but thereafter the banks would be using their own money, instead of using the Treasury's money interest free, and the Treasury would be saving the interest charges on these securities.

This is no hypothetical suggestion I am making. The truth is that the banks today use 91-day Treasury bills for just this purpose of adjusting their reserves. They buy Treasury bills with funds which are temporarily idle, collect the interest and then sell those bills the moment they need the cash to adjust their reserve positions.

Furthermore, the open maket account in the New York Federal Reserve Bank is furlly capable of handling just this problem. It is now in the business of buying and selling Treasury bills to adjust the reserve position of the private banks to offset just such seasonal, and even week-to-week and day-to-day variations in the money supply.

They are in business every day of the week for just this purpose.

So the argument that the banks would be inconvenienced at tax collection dates is a completely, unrealistic argument against my suggestion. The only

difference between what is being done and what I proposed is that what is now being done allows the banks the use of Federal money on an interest-free basis.

This brings us to Secretary Anderson's second argument.

He admits that the banks find the free use of Government funds profitable; but he claims that this is only fair compensation to the banks for certain services which they perform for the Government. And what services do they perform for the Government? The Secretary says that the most important function which the private banks perform is in the Government securities market. He says, and I quote:

> In the distribution of about $50 billion of certificates, notes and bonds each year, plus $1¼ billion of weekly bills, the commercial banks are of considerable help to the Treasury in securing a quick and effective response.

In other words, the banks buy Treasury security and collect the interest on these securities. Furthermore, since the Tresaury is leaving its own funds on deposit with the banks, the banks are in fact using the Treasury's funds to buy these securities.

I suggest that the private banks are performing no services whatever for the Government for which they are not fully compensated. The fact of the matter is they are overly compensated. They receive at least $120 million a year in services from the Federal Reserve System for which they pay nothing. This is a direct subsidy which comes out of the taxpayers' pocket. We need not even mention the greatest subsidy of all, which is that the banks are allowed to create money on the credit of the Nation.

The banks are paid. I doubt if there is any part of our economy—now, remember that I am for the private commercial banks, I am for the fractional reserve system, I am for the commercial banks and for the Federal Reserve banking system; I am all for them; I believe they are not always administered just right and I think some changes could be made about their administration, but as to the over-all system I am not quarreling with them. But under these systems the commercial banking system receives more in bonuses and subsidies directly and indirectly from our United States Government and the taxpayers than any other segment of our economy.

I am not condemning all of them. Some of them, of course, are justified, but some of them are not justified; some of them are gifts; some of them are handouts, some are just outright grants. That is the part I object to.

The commercial banking system is adequately paid for everything that it does for the Government, and several times over. Take, for instance, the clearing of checks. We have 12 Federal Reserve bank buildings and 12 Federal Reserve districts. What are those bank buildings used for? The amount of business that is done in any one of them, that is business for the United States Government, could be done in a cubbyhole no larger than 8 by 10 feet in size—practically no business; it is all done for the commercial banks. Checks are cleared at the expense of $120 million a year to the United States Government. Consider that along with a subsidy, you might say, on the Government bonds that the commercial banks hold—$60 billion in Government bonds—certainly would be from $1½ billion to $2½ billion annually, and it is a pretty good size subsidy; and I tell you that the commercial banks render no service whatsoever when they create money by buying Government bonds. I would not deny commercial banks this privilege of buying and keeping a reasonable amount of Government securities. That is the way the bonds are bought by commercial banks.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. McDONOUGH. Referring back to the statement the gentleman made a moment ago about $6 billion that is being held by the banks, I should like to ask this question.

Mr. PATMAN. It is $60 billion; between $59 billion and $60 billion. They bought $6.2 billion in the last few months.

Mr. McDONOUGH. The gentleman says that that money should be picked up by the Federal Reserve banks and thereby we would reduce the national debt accordingly, is that right?

Mr. PATMAN. No, the gentleman misunderstood me.

Mr. McDONOUGH. The gentleman referred to a fund of some $6 billion.

Mr. PATMAN. That is a fund of from $3 billion to $6 billion.

Mr. McDONOUGH. That is right.

Mr. PATMAN. Those are Government deposits in the 13,000 commercial banks.

Mr. McDONOUGH. Suppose that money were used to reduce the national debt, what effect would it have on the operation of those banks?

Mr. PATMAN. None at all. There would be some fluctuations, but we have the Federal Reserve System to take care of that. That is the backlog of strength of the Federal Reserve System. If necessary they can go to the Federal Reserve banks—they can do it by telephone or any other way—and get fluctuations cured by getting loans from the Federal Reserve banks. That is what the Federal Reserve bank is for, I will say to my friend from California.

Mr. Chairman, I would prohibit the Treasury from leaving those huge balances in these banks free of charge and keep the national debt down at least 3.5 billion thereby.

THE TREASURY SHOULD SELL SECURITIES ON COMPETITIVE BID

My third suggestion, then, is this: I would require that all securities sold by the Treasury had to be sold on competitive bids. That is the way the States sell their securities, on competitive bids, and I think the Treasury should do the same.

The Treasury is now selling certain of its securities on competitive bid, and it has an established machinery for this. Each week it sells between a billion and two billion dollars of 91-day bills on the regular Monday bill auction. This auction method leaves no question about what money market rates are, and no guessing about what interest rate must be offered in order to sell the securities. After the Treasury receives all the bids, it knows how much has been bid for and at what prices, and it then decides what the highest price is it will pay for the hire of the money.

But in contrast, the Treasury issues the greater proportion of its securities at fixed and predetermined interest rates. In deciding what arbitrary rates it will fix on these securities, the Treasury leans heavily on the advice which it solicits from the big bond dealers and other big purchasers of Government securities. Based on the advice of interested parties, the Treasury officials then make a guess at what the interest rate should be. What they are guessing at, presumably, is the lowest interest rate which they can fix on the securities in order to sell them.

But time after time it has fixed rates so high on new securities that the securities were immediately reselling in the open market at prices higher than the Treasury got for them.

As I see it, the Treasury has all to lose and nothing to gain by guessing what the market is. When it guesses too high, it burdens the taxpayers with unnecessary interest charges. But when it guesses too low, there is no offset; it does not sell the securities, and so has to guess again.

So issuing securities at fixed prices and at fixed interest rates is one more factor which makes the Federal debt higher than it need be, and one more factor which diverts the taxpayers' money to meet unnecessary interest charges, rather than going to pay off some of the debt.

Most of Secretary Anderson's answer to this suggestion is that the Treasury needs to sell many different types of securities, and it needs to analyze and evaluate the markets in determining which type to sell. That is all true and my suggestion does not go to that point at all. Furthermore, I would concede that in selling bonds of the type of series E and H where the sales are made in large numbers to small individuals, the only practical method is to issue these at a fixed price and at a fixed and predetermined interest rate. Such bonds are not traded; they are not resold in the open market, and the Treasury stands ready to redeem them at any time for the full amount paid, plus accrued interest.

With reference to those bonds which are bought by large bond dealers and by big investors, however, there is no excuse for the Treasury's denying itself the benefit of competition. As I have said before, when the Treasury fixes a predetermined interest yield on these bonds, it is only guessing at what rate it will have to pay in order to sell the bonds. Then it finds out what the market actually is a few days later by looking to see at what prices these securities are reselling at in the open market. It should put

the securities up for competitive bid in the first place.

WE SHOULD HAVE A SCHEDULE FOR REDUCING THE FEDERAL DEBT

Finally, my fourth suggestion is that we should have a planned program for the reduction of the debt. I think where President Eisenhower made a serious mistake was when he asked Congress to increase this national debt almost $10 billion higher than it has ever been in the history of this Nation in time of war or peace, without accompanying that request with a program of reduction of the national debt. In other words, we should put 2 percent a year into the budget and say that this we are going to use to pay on the national debt. We know it will take 50 years to pay it off that way, and there will be some years when we cannot pay anything, like this year. But maybe next year we can pay twice as much. So we should have a planned program for the reduction of the national debt.

HIGH INTEREST CAUSES DEBT-LIMIT INCREASE

This present request would not be here had it not been for the high-interest policy of the present administration. I am not questioning the motives of any person; I am not doing that. But I say that the high-interest policy of this administration has caused this debt to be increased. If we had had the low-interest policy, which we should have for Government and for tax-exempt bonds, this request would be unnecessary. It is the high-interest policy of this administration that is causing the demand for the increase of the national debt.

SIXTY DOLLARS PER CAPITA INTEREST INCREASE

The American people this year will pay $10 billion in interest more than they would have paid—and I do not mean this to be political, the year just happens to be there—under rates that we were paying in 1952. How much does that mean? Divide that by 170 million people and you will find that it means $60 for every man, woman, and child in America, or $300 per family of 5. That means that this year every family of 5 will have to divert $300 from the purchase of the comforts and necessaries of life and use it to spend on increased interest. That is the cause of this increase of the national debt.

This suggestion the Secretary argues is no good, because the question when the debt may be reduced, and by what amount, is determined by the amount of the Treasury's surplus, if and when that occurs. The same argument applies with equal force against having a debt limit. If having a schedule for reducing the debt is useless, then having a debt ceiling is an equally useless device.

Certainly, no one would claim that the procedure of having a debt ceiling has been 100 percent effective in keeping the debt down. Nor would I argue that a schedule for reducing the debt would be any more effective. In other words, this would be much like making up a family budget. You can say that making up a family budget is not a useful thing to do. True, you can go along spending willy-nilly in complete disregard of the family budget, after you make it up. But on the other hand, if you really want to live within your means budgeting is a good and useful device for helping you to do it.

Certainly, it seems to me that in view of the seriousness of this problem and the tendency to pile debt on top of debt with never any serious effort to pay off the debt, the procedure I suggest is worth a try. I note that Secretary Anderson has not offered any alternative suggestion; and I for one would welcome any suggestion he might make to help in the solution of this problem.

Mr. REED. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BYRNES].

(Mr. BYRNES of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. BYRNES of Wisconsin. Mr. Chairman, when I was thinking of what I might say to the House in connection with this bill to increase the debt limit, I was thinking in very serious terms and about a very critical situation. All of us who have paid any attention to the fiscal road we were following knew that the day would come when this situation would arise, and we knew the problem would be serious.

It was my intention, in fact it still is my intention, to speak to you soberly about that situation. I must frankly admit, however, that my blood was caused to boil a bit by certain remarks which were made particularly by the gentleman from Missouri [Mr. KARSTEN]. If there is anybody in this House who has justification to protest about the extent of spending and debt, it certainly is not the gentleman from Missouri from his record in this Congress.

I do not want to make a political issue out of this extension because to me the situation is such that every citizen in this country had better be very much concerned about it, be he Republican, be he Democrat, be he Independent, or whatever he is. If he has any respect for the future of his country and our economic and political system he had better be really concerned, and had better decide that this problem goes way beyond the matter of partisanship.

There is one thing I must mention to the gentleman, and call it to his attention: It was only last year, in January of 1957, that some 80 Members of the now majority party, the Democrat Party, issued a manifesto. And what was their complaint? That the program of the administration, and the program of the leadership of the Democratic Party, was not spending enough, that that program was too frugal, that we should go way beyond it. And one of the signers was the gentleman from Missouri [Mr. KARSTEN].

You never found a manifesto coming from the Republican side of the House complaining that the expenditures of Government were too small or meager. We have been too concerned about the burden being placed upon the taxpayers of this country, and future taxpayers.

Mr. KARSTEN. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I am not going to yield at this time. If I had some more time I might yield to the gentleman. He brought this on himself. It was not my intention to speak of it. Frankly and sincerely, I regret that it is necessary as part of this debate even to mention it. The gentleman's name appears very prominently on that manifesto, and let me call attention to the number of signers, some 80 Members on that side.

Mr. Chairman, whether we like it or not we must face up to some very distasteful facts. The Congress, and not just this Congress but past Congresses, have authorized and appropriated money way beyond our ability to pay the bill from current taxes. We have authorized and incurred expenditures way beyond our present ability to pay for them, and we are going to be short of being able to pay for these expenditures during this fiscal year to the extent of $12 billion.

I might suggest to the gentleman from Missouri and to all Members of this Congress, be they Republicans, Democrats, or manifesto people, unless there is a change in attitude demonstrated by a majority of the Members of Congress, we are going to be short not just $12 billion in 1959, we are going to be short $15 billion of $16 billion, and this bill here will be obsolete before it even becomes law.

Make no mistake about it. We may very well, unless there is a change in attitude, come back here in January or February and be faced with the necessity of an additional increase. It will not be just a matter of making the $3 billion that is temporary under this bill permanent, it will be going even beyond that. And we are certainly going to be faced unless there is a radical change in attitude with a further $10 billion to $12 billion increase in the debt limitation in order to take care of fiscal year 1960 and another one for fiscal year 1961. This is not the end unless there is a change in attitude toward expenditures and current willingness to run this Government on a debt basis putting the burden on our children in the future. Even if this borrowing authority is granted, we are going to have to come here next year. The facts are inescapable. Unless there is a change of attitude, it will be necessary to provide another debt increase to take care of the situation in fiscal year 1960 and the fiscal situation in 1961. Yes; and if those who signed the manifesto have their way, and if they are in control of the next Congress, it will not be a $10 billion increase each year, it will be $15 billion and $20 billion increase each year because any estimate of the program they outline is bound to increase the cost of the Government in excess of the present cost by $5 billion to $10 billion each year. If they want to know who is responsible, if they want to place the responsibility, they had better accept it themselves; they had better look in a mirror. The situation we are facing today, and the cause of it, is no secret. A majority of the Congress has gone wild in authorizing and appropriating for new and increased expenditures and it is going to do you no good to blame the Executive or anybody else. The Executive cannot spend 1 cent that this Congress does not authorize and appropriate. Congress has the purse-strings and it has been a Congress for

the last 4 years that has been not in the control of the Republican Party but the Democrat Party, I would remind the gentleman from Missouri [Mr. KARSTEN]. There are Members of this Congress on both sides of the aisle who have opposed spending and I have been one of the group. But, we have been in the minority. Let us face it. Once in a while, thank God, we have been in the majority as we were the other day on the community facilities bill.

But, the fact of the matter is, that a majority has been ordering expenditures in excess of our ability and we are faced with no alternative today but to vote and increase the debt limit so that at least when the bills are presented, we will have the ability to meet those bills and write a check for them and thus preserve our credit. Let me remind those of my friends who say that all you have to do is refuse to increase the debt limit—if you want to put in jeopardy the credit of the United States of America, then that is the way to do it. I fear for all of us and all of our people when I contemplate the tragedy that will follow from lack of confidence in the credit and integrity of the Government of the United States, because when that day comes there will not be a bank in the United States that will be worthy of its name and there will not be an insurance company or an insurance policy worthy of its name, and your whole system of government will go down with it—make no mistake about that.

Mr. Chairman, let me sound one word of warning. This bill, as distasteful as it is to all of us, can become obsolete tomorrow. It almost, in fact, became obsolete before the report of the committee had been filed. If the House had acted favorably last Friday on the legislation that was presented to us, the so-called communities facilities bill, it would have increased the potential debt by $2 billion. If we had acted favorably upon that, this bill would have been obsolete. The bill would have been $2 billion short of taking care of expenditures. We would have had to make it $12 billion, instead of $10 billion, if that bill became law. Again, let me point out for the benefit of the gentleman from Missouri [Mr. KARSTEN], that the Community Facilities Act, which was before us as recently as 2 legislative days ago, was only defeated by a slight margin in face of the fact that everybody knew that today we would be taking up this bill to increase the debt limit. Yet, 173 Members of this Congress, including the gentleman from Missouri, voted to further increase the expenditures out of the Treasury of the United States by $2 billion. Voting for this bill were 151 Democrats and 22 Republicans. It fortunately was defeated by a combination of 151 Republicans and 37 Democrats.

Mr. Chairman, it is time that we take inventory of our actions.

The die has been cast. A majority of the Congress has done it, but let us at least make up our minds that we are going to correct the situation for the future and that we are not going to face the country with a repetition of this matter next year and the year after. Let us get some commonsense into this thing. Let me plead with the Members of this House as the chairman of our committee did—and I would like to compliment the chairman and echo many of the statements he expressed and the warnings he gave to all of us. But let me suggest to the membership that as they go back home and all face a campaign, there are going to be great temptations. There is going to be the temptation to offer tax reductions in the next Congress. There is going to be the temptation to promise this group or that group greater expenditures by the Federal Government, all of which, every one of them, adds up to a greater deficit picture and a greater debt. Let me caution that this fiscal situation is beyond the point where it can be brushed off lightly, it is time, if this economy of ours, if our whole political system is to survive, that Members of Congress demonstrate the highest order of statemanship in meeting these issues. I would hope as the Members are tempted to offer tax reduction and greater increase in expenditures that they remember the situation we are required to face up to today, namely, an increase in the debt limit and not invite a repetition. Unless Congress changes its ways this ceiling of $285 billion or $300 billion will be meaningless and our whole great Republic will fall down upon us.

Mr. REED. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, I join in much of the emotion and also the expressions of reasoning of my distinguished friend the gentleman from Wisconsin [Mr. BYRNES]. I, too, had hoped that this would be a debate confined to the very serious problem of our Federal debt. Unfortunately, there was an interjection of partisanship which was very difficult to understand. I was trying to get an adjective that would fit it. I guess about the only adjective I can think of is "brazen," because here was a chiding of this administration because of the debt limitations which result almost entirely from expenditure programs by one who was doing everything he could, along with his cohorts, to make the expenditures even greater. I chided the administration. I have before chided the administration in regard to the expenditures we were making, although I recognize that this administration has had to conduct a holding action, to a large degree, against issues and the will of those who signed the Democratic manifesto who would have us spend more money and saying that most of the money we are spending is inadequate. But I certainly think it ill behooves anyone of that philosophy to even discuss the subject of fiscal responsibility on this floor. I would challenge them to make that issue this fall and see how far they get with the people of this country, because I am satisfied the people recognize that the Republican Party has been the party of fiscal responsibility.

One remark with regard to the suggestion made by the gentleman from Texas [Mr. PATMAN] before the committee. I appreciate very much his testimony and his statements here, but for those Members who are interested they should know that in the committee hearings there is an answer from the Secretary of the Treasury to those four points that the gentleman from Texas [Mr. PATMAN] raised.

On pages 22 and 32 of the hearings, you will find that discussion. I believe that when you read it you will conclude, as the committee concluded, that those recommendations were not wise. With one exception, I would add, I think that the problem of the so-called idle funds of the currency deficit in our commercial banks should be reviewed. I am happy to call the attention of the committee to page 49, to a letter from the Comptroller General to the chairman of this committee, which is in the hearings, in which he points out that he feels this is a serious question and is a matter that needs quite a bit of study, and that this study is presently going on under the direction of the Secretary of the Treasury.

Now to the bill itself: I felt it was advisable to file some supplemental view to the committee report. You will find those on page 8. I am glad to read the first three paragraphs of my supplemental views:

I believe it is important to emphasize that this so-called debt limitation bill, H. R. 13580, and the previous acts bearing this title are really "debt management" bills, not debt-limitation bills.

The erroneous impression that many Members of the Congress and the general public have that this legislation is debt limitation has resulted in many Members of Congress voting against the increase of the amount of bonds and other securities the Treasury may have outstanding against the "full faith and credit of the United States" at any one time. The amount of securities the Treasury of the United States may have outstanding at any one time against the full faith and credit of the United States in no way limits the debt of the United States; it only limits the flexibility with which the Treasury may treat the debt. Disturbing or impairing this flexibility makes the situation worse not better.

The debt of the United States is created by the appropriation bills and other bills passed by the Congress which create charges against the full faith and credit of the United States. The total charge against the full faith and credit of the United States is a great deal more than $280 billion or than $288 billion of securities which this bill would allow.

Incidentally, I requested the Secretary of the Treasury to give thhe committee a list of these additional liabilities which are essentially long-range commitments and contingencies. I am going to place in the RECORD the answer of the Secretary of the Treasury containing the Department's statement and tables relating to these additional liabilities of the Federal Government:

THE SECRETARY OF THE TREASURY,
Washington, August 4, 1958.

Hon. THOMAS B. CURTIS,
House of Representatives,
House Office Building,
Washington, D. C.

DEAR MR. CURTIS: During my recent testimony on the bill to increases the statutory public debt limit, you inquired about the obligations of the Government which are not covered by the limitation.

These obligations are customarily referred to as long-range commitments and contingencies. They are summarized in the enclosed statement, which I hope will serve your purposes. Please let me know if you desire any additional data.

Sincerely yours,

BOB ANDERSON,
Secretary of the Treasury.

LONG-RANGE COMMITMENTS AND CONTINGENCIES OF THE UNITED STATES GOVERNMENT AS OF DECEMBER 31, 1957

The attached statement covers the major financial commitments of the United States Government, except the public debt outstanding and those involving recurring costs for which funds are regularly appropriated by the Congress and are not yet obligated, such as aid to States for welfare programs and participation in employee-retirement systems. The statement is segregated into four categories, namely (a) loans guaranteed and insured by Government agencies, (b) insurance in force, (c) obligations issued on credit of the United States, and (d) undisbursed commitments, etc.

The items appearing in this statement are quite different from the direct debt of the United States. They are programs of a long-range nature that may or may not commit the Government to expend funds at a future time. The extent to which the Government may be called upon to meet these commitments varies widely. The liability of the Government and the ultimate disbursements to be made are of a contingent nature and are dependent upon a variety of factors, including the nature of and value of the assets held as a reserve against the commitments, the trend of prices and employment, and other economic factors.

Caution should be exercised in any attempt to combine the amounts in the statement with the public debt outstanding for that would involve not only duplication but would be combining things which are quite dissimilar. As indicated by the enclosed statement, there are $99.5 billion of public debt securities held by Government and other agencies as part of the assets that would be available to meet future losses. The following examples illustrate the need for extreme caution in using data on the contingencies and other commitments of the United States Government.

1. The Federal Deposit Insurance Corporation had insurance outstanding as of June 6, 1957, the latest available, amounting to $119 billion. The experience of the Federal Deposit Insurance Corporation has been most favorable. During the period this Corporation has been in existence, premiums and other income have substantially exceeded losses which has permitted the retirement of Treasury and Federal Reserve Capital amounting to $289.3 million (all repaid to Treasury), and the accumulation of $1.9 billion reserve as of December 31, 1957. The Corporation's holdings of public debt securities as of that date amounted to $1.9 billion which already appears in the public debt total. Out of $233.4 billion of assets in insured banks as of June 6, 1957, the latest available, $61.6 billion are in public debt securities (also reflected in the public debt). The assets, both of insured banks and the Federal Deposit Insurance Corporation, as well as the continued income of the Corporation from assessments and other sources, stand between insured deposits and the Government's obligation to redeem them.

2. The face value of life insurance policies issued to veterans and in force as of December 31, 1957, amounted to $44.0 billion. This does not represent the Government's potential liabilities under these programs since some of these policies will probably be permitted to lapse and future premiums, interest, and the invested reserves amounting to $6.7 billion of public debt securities should cover the normal mortality risk.

3. Under the Federal Reserve Act of 1913, as amended, Federal Reserve notes are obligations of the United States which, as of December 31, 1957, amounted to $26.7 billion. The full faith and credit of the United States is behind the Federal reserve currency. These notes are a first lien against the $53.0 billion of assets of the issuing Federal Reserve Banks which includes $24.2 billion of Government securities already included in the public debt. These notes are specifically secured by collateral deposited with the Federal Reserve agents which, as of December 31, 1957, amounted to $17.2 billion in Government securities and $12.3 billion in gold certificates.

Long-range commitments and contingencies of the U. S. Government as of Dec. 31, 1957

[In millions of dollars]

Commitment or contingency and agency	Gross amount of commitment or contingency	Public debt securities held by Government and other agencies
Loans guaranteed or insured by Government agencies:		
Agriculture Department:		
Commodity Credit Corporation	[1] 311	----------
Farmers' Home Administration: Farm tenant mortgage insurance fund	[2] 151	----------
Commerce Department: Federal Maritime Board and Maritime Administration	[2] 47	(3)
Export-Import Bank of Washington	48	----------
Housing and Home Finance Agency:		
Federal Housing Administration:		
Property improvement loans	[4] 285	43
Mortgage loans	20,858	432
Office of the Administrator: Urban renewal fund	127	----------
Public Housing Administration	2,975	----------
International Cooperation Administration: Industrial guaranties [5]	152	----------
Small Business Administration	[6] 6	----------
Treasury Department:		
Reconstruction Finance Corporation liquidation fund	[6] 4	----------
Defense Production Act of 1950, as amended	[6] 18	----------
U. S. Information Agency: Informational mediums guaranties	8	----------
Veterans' Administration	[7] 16,782	----------
Defense Production Act of 1950, as amended	300	----------
Total loans guaranteed or insured by Government agencies	42,072	475
Insurance in force:		
Agriculture Department: Federal Crop Insurance Corporation	[8] 242	----------
Commerce Department: Federal Maritime Board and Maritime Administration	68	(3)
Export-Import Bank of Washington	5	----------
Federal Deposit Insurance Corporation	[9] 118,931	1,942
Held by insured commercial and mutual savings banks	----------	[9] 61,578
Federal Home Loan Bank Board:		
Federal Savings and Loan Insurance Corporation	38,950	275
Held by insured institutions	----------	2,936
Veterans' Administration:		
National service life insurance	42,373	5,581
United States Government life insurance	1,578	1,164
Total insurance in force	202,147	73,476

Commitment or contingency and agency	Gross amount of commitment or contingency	Public debt securities held by Government and other agencies
Obligations issued on credit of the United States:		
Postal savings certificates:		
United States Postal Savings System	[10] 1,326	1,319
Canal Zone Postal Savings System	[10] 6	6
Total postal savings certificates	1,332	1,325
Other obligations: Federal Reserve notes (face amount)	26,666	[11] 24,238
Undisbursed commitments, etc.:		
To make future loans:		
Agriculture Department:		
Commodity Credit Corporation	2	----------
Disaster loans, etc., revolving fund	1	----------
Farmers' Home Administration: Loan programs	10	----------
Rural Electrification Administration	742	----------
Defense Department: Loan to Peru [5]	(3)	----------
Export-Import Bank of Washington: Regular lending activities	1,432	----------
Housing and Home Finance Agency:		
Office of the Administrator:		
College housing loans	249	----------
Public facility loans	13	----------
Urban renewal fund	172	----------
Public Housing Administration	223	----------
Interior Department:		
Bureau of Commercial Fisheries: Fisheries loan fund	5	----------
Defense Minerals Exploration Administration: Defense Production Act of 1950, as amended	5	----------
International Cooperation Administration: Loans to foreign countries [5]	1,063	----------
Small Business Administration	46	----------
Treasury Department:		
Reconstruction Finance Corporation liquidation fund	1	----------
Defense Production Act of 1950, as amended	6	----------
Federal Civil Defense Act of 1950, as amended	3	----------
Veterans' Administration (veterans' direct loan program)	45	----------
Total undisbursed commitments to make future loans	4,018	----------

Footnotes at end of table.

Long-range commitments and contingencies of the U. S. Government as of Dec. 31, 1957—Continued

[In millions of dollars]

Commitment or contingency and agency	Gross amount of commitment or contingency	Public debt securities held by Government and other agencies
Undisbursed commitments, etc.—Continued		
To purchase mortgages:		
Agricultural Department:		
Farmers' Home Administration: Farm tenant mortgage insurance fund	(3)	----------
Housing and Home Finance Agency:		
Federal National Mortgage Association:		
Secondary market operations	$180	----------
Special assistance functions	597	----------
Total commitments to purchase mortgages	777	----------
To guarantee and insure loans:		
Agricultural Department:		
Farmers' Home Administration: Farm tenant mortgage insurance fund	$3	----------
Commerce Department: Federal Maritime Board and Maritime Administration	121	----------
Housing and Home Finance Agency: Federal Housing Administration	4,029	----------
Defense Production Act of 1950, as amended	99	----------
Total commitments to guarantee and insure loans	4,252	----------
Unpaid subscriptions: International Bank for Reconstruction and Development	2,540	----------

NOTE.—The above figures are subject to the limitations and precautionary remarks, as explained in the note attached to this statement.

[1] The Corporation finances part of its activities by issuing certificates of interest to private lending agencies. The outstanding amount of $102,000,000, as of Dec. 31, 1957, is included in this figure.
[2] Includes accrued interest.
[3] Less than $500,000.
[4] Represents the Administration's portion of insurance liability. The estimated amount of insurance in force and loan reports in process as of Dec. 31, 1957, is $1,141,000,000. Insurance on loans shall not exceed 10 percent of the total amount of such loans.
[5] The Export-Import Bank of Washington acts as agent in carrying out this program.
[6] Represents deferred participations.
[7] Figures are as of June 30, 1957.
[8] Represents estimated insurance coverage for the 1957 crop year.
[9] Figures are as of June 6, 1957.
[10] Excludes accrued interest.
[11] Includes public debt securities amounting to $17,165,000,000 that have been deposited with the Federal Reserve agents as specific collateral.

In discussing the amount I want to warn that these are not absolute liabilities at all. The actual sum amounts to $283 billions plus, almost the same amount as the Federal debt. For anyone to assume that that is what the Federal Government would be liable for would be in complete error. I do not know what that amount would be. Possibly we would be dealing in percentages of 25 or possibly even less of what we might be liable for, but it is a considerable sum, and it is a sum over which the Congress has lost control, because these are in effect charge accounts. These are authorizations and appropriations which the people who deal with the Federal Government have a right to rely upon. For those contingent liabilities we realize that the full faith and credit of the United States is going to be affected by large amounts.

Now, I point out that this is a debt management bill; in fact, its history shows it, its very title shows it, it is an amendment of the Second Liberty Loan Act which describes what kind of securities we may have at any time. They use the word "issued." Later it was amended to "outstanding of record." That has been amended from time to time. That list, incidentally, is in the committee report. One of the most material amendments was in 1946 when we included in the Federal debt the obligations of Federal corporations, bonds, or whatever they might have, which, up until that time, had not been included in the computation of the Federal debt which is subject to this so-called debt limitation bill.

I have suggested in my supplemental view that it is possible to use this so-called debt limitation bill as a real debt limitation bill instead of just a debt manipulation bill if the House would want the Ways and Means Committee to do that. But there has been no time in the past, and I think rightly so, for the Ways and Means Committee to assume that authority. It might, however, be a very good device whereby the Congress could from a practical standpoint review what are all the outstanding obligations against the full faith and credit of the United States, and then in the requests that may occur from time to time to extend the debt limitation we could recommend to the Congress, to the House, the committee after studying it, certain areas where we think we might cut back until these debt limitations were met. That in a way would require moving over somewhat into the domain of the Committee on Appropriations, but I say, inasmuch as this would occur usually toward the end of a session and certainly would result after the Appropriations Committee's bills were all in, we could use such a device.

I think because of our concern for having some device of debt limitation we might give real thought to this possibility. But for anyone to think today that the Ways and Means Committee has in any sense studied this debt management bill from the standpoint of debt limitation would be a gross error; we have not. This is a debt management bill, and it would be uneconomic to vote against it, because it would withdraw the flexibility that the Treasury needs in order to handle the debt that has been created by our appropriation bills.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. REED. Mr. Chairman, I yield the gentleman from Missouri 2 additional minutes.

Mr. CURTIS of Missouri. I thank the gentleman very much.

I did want to correct a misapprehension that had been created by the statement of the gentleman from Missouri [Mr. KARSTEN] in reference to what had happened to the Federal debt. The gentleman undoubtedly was referring to table 2 in the committee report, Increase in Public Debt Limit, and he was talking about a $25 billion cut in the Federal debt limit from 1945 to 1946 which actually occurred, but it was purely a bookkeeping device.

Mr. Chairman, I want to call attention to the real figures, as shown at page 44 of the committee hearings. This table was put in at my request. It is the relationship of the Federal debt to gross national product in the calendar years 1929–1958. You will find there that from 1945 to 1946, the debt, far from decreasing $25 billion, increased $10 billion. Unfortunately, that is the way figures can be used to mislead. It was just the reverse of what the gentleman from Missouri was trying to imply.

Mr. Chairman, I want to call attention to one other matter. You will notice that wherever the debt has gone down, as shown in that chart, which goes back from the present time to 1929, it was usually the Congress that was the reason for the cutback in Federal expenditures. It was the 80th Congress back in 1946 and 1947 that cut back Federal expenditures which you see reflected in the Federal debt. It was the Republican 83d Congress that cut back expenditures in this administration, and it has been the Democratic-controlled Congresses that have continued these increases. I do not mean by that to take the responsibility away from the Executive. I think the responsibility is mutual to both branches of Government; both branches are responsible.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CURTIS] has expired.

(Mr. REED asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. REED. Mr. Chairman, the gentleman from Texas [Mr. PATMAN] appeared

before the Committee on Ways and Means in public hearings on this legislation and expressed the views he is here expressing. During those hearings the distinguished Secretary of the Treasury and the distinguished Comptroller General of the United States were asked to comment on the proposals made by the gentleman from Texas. So that the membership of the House may have the benefit of this additional information I will insert it at this point in the RECORD:

LIMITATIONS THAT REPRESENTATIVE WRIGHT PATMAN WISHED TO ADD TO THE LEGISLATION INCREASING THE PUBLIC DEBT LIMIT, JULY 30, 1958

1. REQUIRES THAT THE SECURITIES ISSUED UNDER THE INCREASED DEBT AUTHORITY BE SOLD INSOFAR AS POSSIBLE TO INDIVIDUALS, CORPORATIONS, AND TO SAVINGS-TYPE INSTITUTIONS; AND THAT THE PORTION WHICH CAN BE SOLD ONLY BY THE CREATION OF NEW MONEY BE SOLD TO THE FEDERAL RESERVE RATHER THAN TO THE COMMERCIAL BANKS

The Treasury has at all times attempted, within the framework of economic conditions, to secure as large an ownership of the public debt by individuals, corporations, savings institutions, and other nonbank investors as possible and has tried to limit the participation of the banking system in the issuance of new public-debt securities. However, to require that securities not sold to nonbank investors be issued only to Federal Reserve banks and not to commercial banks is to substitute high-powered inflationary dollars for low-powered dollars. Every dollar of Federal securities acquired by the Federal Reserve banks provides reserves of an equal amount to the commercial banking system and this in turn forms the base for a multiple expansion of credit of about six times that amount.

2. PROHIBIT THE TREASURY FROM LEAVING ANY OF ITS FUNDS ON DEPOSIT WITH THE PRIVATE BANKS

The Treasury over the years has found that it is able to offset the impact of heavy seasonal tax collections and the proceeds of new security issues by leaving on deposit in the private banks as much as possible of its collections and making calls on these deposits only to the extent that funds are needed in the Federal Reserve banks to meet regular Treasury expenditures. To have funds transferred immediately to the Federal Reserve banks would create serious problems in the money market as large sums were drained from the private banks into the Federal Reserve banks. Such transfers have the effect of shrinking bank reserves. In practice the tax and loan account balances of individual banks fluctuate widely. Because such balances remain in the private banks only a short time they must also be invested only in highly liquid and low-yielding securities.

A further point should be made that the balances held by the banks are not free of any costs to the banks. True, they can be invested and the banks do earn money on these balances until the calls are made for transfer of these funds to the Federal Reserve banks. But the commercial banks are also performing numerous services for the Government for which they are not otherwise paid: The sale and issuance of United States savings bonds; the handling of withholding social-security and excise-tax deposits; the furnishing of confidential information to the Internal Revenue Service regarding large currency transactions and interest payments; issuance of bank drafts and the cashing of Treasury checks. Beyond these services and perhaps the most important of all are the functions performed by the commercial banks in the Government securities market. Their own buying and selling contributes greatly to the creation of an efficient market. In the distribution of about $50 billion of certificates, notes, and bonds each year plus $1¾ billion of weekly bills the commercial banks are of considerable help to the Treasury in securing a quick and effective market response. All this is done without the payment of commissions as is commonly done for corporate and municipal issues. If it were not for the earnings banks make on the balances that are left with the banks until needed the Treasury would quite likely have to pay certain service charges to the banks for the work performed for the Government.

3. REQUIRE THAT ALL SECURITIES SOLD BY THE TREASURY BE SOLD ON COMPETITIVE BID

Basically the Treasury needs a good deal of flexibility in the management of a public debt of over $275 billion. For each new issue, the Treasury has to evaluate the needs of the Treasury for funds, the state of the economy, and conditions in the money market before deciding on what type of issue should be offered either on a refunding or for new money. Each issue has to be carefully analyzed and no fixed formula can be determined in advance. Considering these factors, the Treasury has found it practicable over the years to offer a wide variety of securities to meet changing conditions and to secure a widespread distribution of the public debt. The auction device of selling securities on competitive bid has a number of useful features, particularly in the issuance of short-term Treasury securities and has been and is used regularly. However, the device is suitable only for a sophisticated market and if it had to be used for all securities it would seriously interfere with the Treasury's objective of encouraging a widespread ownership of the public debt. The effect of this provision would be to impose an undesirable inflexibility upon the Secretary of the Treasury in carrying out his public-debt functions.

4. SET A FIXED PERCENTAGE BY WHICH THE FEDERAL DEBT IS TO BE REDUCED EACH YEAR

Legislation such as suggested here has a certain appeal but really does not get down to fundamentals. Regardless of what is enacted into law, the debt can be reduced only when there is an excess of receipts over expenditures. Thus to set a specific annual rate of reduction does not meet the problem. Consideration of a reduction in the public-debt limit is appropriate only when a surplus of receipts over expenditures is evident in the foreseeable future and when it is consistent with the then existing economic conditions.

TREASURY COMMENTS ON PROPOSAL THAT CONGRESS ENACT LEGISLATION PERMITTING BANKS TO PAY INTEREST ON BALANCES IN TREASURY TAX AND LOAN ACCOUNTS

I. BACKGROUND

Exhibit 1, attached hereto, contains a brief history of the tax and loan accounts and a summary of current operating procedures. Exhibits 2, 3, and 4 contain data reflecting the volume of transactions in the accounts during the calendar year 1957.

II. PROBLEMS INVOLVED IN REQUIRING BANKS TO PAY INTEREST ON TAX AND LOAN ACCOUNTS

(a) Interest rate on Government securities: Experience has shown that when banks are permitted to make payment by a deposit credit in their tax and loan account for the purchase price of Government securities, the rates of interest paid on such issues are less than otherwise would be paid if the funds did not clear through the account. For example, there is listed below information with respect to eight different issues of Treasury bills, which is self-explanatory:

Special issues eligible for payment by credit in tax and loan account		Regular weekly issues not eligible for payment by credit in tax and loan account	
Date of issue	Rate	Date of issue	Rate
	Percent		*Percent*
Oct. 17, 1956	2.686	Oct. 18, 1956	3.030
Nov. 16, 1956	2.617	Nov. 15, 1956	2.979
Dec. 17, 1956	2.585	Dec. 20, 1956	3.331
May 27, 1957	2.824	May 31, 1957	3.245

It is reasonable to assume that any payment of interest on balances in tax and loan accounts would be reflected in higher interest rates which it would be necessary for the Treasury to pay on Government securities. This would be particularly significant during periods of heavy borrowing as occurred during World War II.

(b) Effect on volume of transactions in tax and loan accounts: Should the Congress enact legislation requiring banks to pay interest on balances in tax and loan accounts, the volume of funds cleared through the accounts would possibly be materially reduced. The greater part of credits in tax and loan accounts represents transfers from accounts of customers of banks and, therefore, does not represent "new" money to the banks. It stands to reason that many banks, rather than take the money out of their customers' accounts and immediately credit same in their tax and loan accounts and pay interest on such balances, would discontinue clearing the funds through the tax and loan accounts and take advantage of the "float" in their favor which results when their customers make payments by check either to Federal Reserve banks or directors of internal revenue. Such action on the part of banks would defeat the purpose for which tax and loan accounts are maintained and as a result would create many problems for the Treasury.

(c) Determination of earning value to banks of Treasury tax and loan account balances: The wide fluctuations in the balances in tax and loan accounts as reflected in exhibit 5 makes the earning value of the balances highly questionable for the majority of banks. Most banks are not in a position to invest the fluctuating portions of the account for the short time that the funds are available to them.

It is significant to note, also, that balances with member banks are subject to reserve requirements of the Federal Reserve Board averaging approximately 16 percent and subject to insurance assessments of the Federal Deposit Insurance Corporation.

III. PROBLEMS ENCOUNTERED IN ALLOWING CREDIT TO BANKS FOR SERVICES RENDERED TO THE GOVERNMENT FOR WHICH THEY ARE NOT OTHERWISE COMPENSATED

The recommendation of the Comptroller General that present laws be amended to permit the banks to pay interest on balances in tax and loan accounts is coupled with the proposal that credit be allowed banks for services performed for the Government for which they are not otherwise compensated. This proposal contemplates the payment of fees to banks for services rendered the Government. In his audit report to the Congress covering the Office of the Treasurer of the United States for the fiscal year ended June 30, 1954, the Comptroller General mentioned the following services performed by banks for which they were not compensated:

1. The sale and issuance of United States savings bonds.

2. The handling of withholding, social security, and excise tax deposits.

3. The distribution to bank customers of announcements and the receipt of subscriptions for other Government securities.

4. The furnishing of confidential information to the Internal Revenue Service regarding large currency transactions and interest payments.

5. The issuance of bank drafts.

Other functions performed by banks such as the cashing of Treasury checks without charge against individual payees are not included in the services set forth above. Many banks look upon the cashing of Treasury checks as a service to the Government and do not make a charge against the individual payees of the checks. On the other hand, a substantial number of banks throughout the country do make a charge against individuals for cashing Treasury checks. Should a system of paying fees be adopted, the question would be raised immediately as to whether or not the cashing of Treasury checks without charge is a service for which the banks should be paid.

The Comptroller General's recommendation provides that the fees to which banks would be entitled for services rendered the Government would be credited against the interest charged the banks on balances in tax and loan accounts. This would not be possible in all cases inasmuch as there are approximately 14,500 banks throughout the country which render services to the Government, but only 11,000 of such banks maintain tax and loan accounts on their books. Also, other financial institutions and commercial concerns render some of the services mentioned by the Comptroller General. The payment of fees could not, of course, be limited to those banks which maintain tax and loan accounts on their books.

Comments with respect to the payment of fees to banks for rendering the five services mentioned by the Comptroller General in his report to the Congress covering the Office of the Treasurer of the United States for the fiscal year 1954 are set forth below:

1. The sale and issuance of United States savings bonds: The attached statement, exhibit 2, shows that banks issue at least 59 percent of all savings bonds sold. Banks absorb substantial amounts of expenses not only in connection with the actual issuance of savings bonds but also in advertising and sponsoring the program in their local communities. It would be impossible to place a dollar value on the services rendered by banks throughout the country in connection with the savings bonds program. The sale and issuance of savings bonds is not confined to banks. There are approximately 8,000 commercial concerns throughout the country which also act as issuing agents for the bonds. If it were decided to reimburse banks for expenses incurred in connection with the savings bonds program, it would be necessary to give the same consideration to the other 8,000 agents.

2. The handling of withholding, social-security, and excise tax deposits: The Comptroller General, in his report to the Congress, estimates that the cost to banks of rendering this service is 5 cents per transaction. If it were decided to pay banks a fee for this service, I am sure they would be able to prove conclusively that their expenses (tellers' time in accepting payments, preparation of transmittal letters to Federal Reserve banks, and postage) in connection with the handling of each transaction greatly exceed 5 cents.

3. The distribution to bank customers of announcements and the receipt of subscription for other Government securities: Banks distribute announcements and receive subscriptions for the purchase of marketable securities and they handle matured marketable securities for redemption or for exchange into new issues. Banks also render considerable assistance to the Treasury in the weekly sale and distribution of Treasury bills. Treasury bills are usually issued with maturities of 91 days, with an issue maturing each week for 13 consecutive weeks. The proceeds of these bills are not deposited in tax and loan accounts. In bidding for Treasury bills many subscribers submit their tenders through banks, the banks check with dealers on possible bid ranges and enter their customer's bid for the amount requested. It would not be feasible to pay banks fees for rendering these services.

4. The furnishing of confidential information to the Internal Revenue Service regarding large currency transactions and interest payments: The Comptroller General, in his report to the Congress, stated that these services are of value to the Government but he had no basis for estimating the amount of expenses incurred by banks in rendering the services. The Treasury also is not in a position to accurately estimate the amount of such expenses. It is important to point out that financial institutions, other than banks, also render these services. It is conceivable that, if banks and other financial institutions were paid a fee for rendering the services, the cost to the Government would run into a very large sum of money.

5. The issuance of bank drafts: In order to facilitate the transmission of miscellaneous collections made by public officers to Federal Reserve banks and branches for credit in the account of the Treasurer of the United States, arrangements have been made with approximately 2,300 banks throughout the country to issue bank drafts to Government officers in exchange for their collections. The terms and conditions under which the bank drafts are issued are set forth in our Bank Draft Procedure Manual, copy attached as exhibit 6. Treasury balances are maintained with approximately 2,000 of the banks as a basis for rendering the service, the other 300 banks having elected to render the service without the benefit of a Treasury balance. These 300 banks could at any time request and receive a Treasury balance based upon the volume of drafts they are furnishing Government officers. The compensation to banks for issuing drafts is now being taken care of under a procedure which has been in effect for the past several years. The present procedure has proved to be satisfactory in every respect.

Should the Congress enact legislation requiring banks to pay interest on balances in tax and loan accounts and providing for the compensation of banks and other commercial concerns, either on a fee basis or reimbursement of actual expenses, for services rendered the Government, it would, of course, be necessary for the Treasury to obtain additional employees to handle the tremendous volume of work involved. How many additional employees ultimately would be required to (1) handle the collection of interest on balances in tax and loan accounts and (2) review, settle, and pay claims of banks for services rendered, only time and experience would tell.

IV. CONCLUSIONS

The payments to banks and other agents for services rendered plus the substantial additional administrative expenses of the Treasury and increased interest payable by the Treasury on public debt obligations would, in the opinion of the Treasury, exceed the interest collected on balances in tax and loan accounts. The question of expenses, while very important, is not the primary consideration. The Congress has provided a flexible means of regulating the Treasury's money flow by authorizing the Secretary to maintain deposits with banks and to withdraw such deposits as they are needed for Government expenditure. The exercise of this authority requires the application of a great deal of judgment and discretion. It cannot be reduced to a mechanical process and the depositary services rendered by banks cannot be reduced to a dollar value.

EXHIBIT 1

OPERATION OF SPECIAL DEPOSITARIES (TAX AND LOAN ACCOUNTS)

The system of "special depositaries" originated during World War I. The first Liberty Loan Act of 1917 provided that banks purchasing securities issued under terms of the act, for their own account or for the account of their cutsomers, could deposit the proceeds from such purchases into special accounts known as war loan accounts. Until 1935, deposits in these accounts were not subject to reserve requirements. Originally the banks were required to pay 2 percent interest on such deposits. However, this was considerably below prevailing interest rates at that time. In the early 1930's, this interest rate was lowered and then eliminated entirely along with interest payments on other demand deposits in keeping with the provisions of the Banking Act of 1933.

During the 1930's, receipts from the sale of Government securities were relatively small and comparatively little use was made of the war loan accounts.

The heavy borrowing requirements of the Federal Government accompanying World War II provided a need for the Treasury to utilize more fully the war loan accounts. The act of April 13, 1943 (57 Stat. 65) suspended, for the duration of hostilities plus 6 months, all reserve requirements and Federal deposit insurance assessments against balances in these accounts. The accounts were again subject to reserve and insurance requirements after June 30, 1947.

Following World War II, the Congress provided for wider uses of these accounts by authorizing the Treasury to use them for processing certain tax receipts. Beginning with March 1948, the banks were permitted to credit to these accounts receipts of withheld income taxes, which previously had been turned over to the Federal Reserve banks monthly or more frequently. On January 1, 1950, the Treasury revised the system for deposit of withheld income taxes and extended the provisions for deposit to war loan accounts to include deposits of payroll taxes from the old-age insurance program. The war loan accounts were renamed "Tax and loan accounts" on January 1, 1950.

Other taxes have since been made eligible for deposit in these accounts. Under a special arrangement, large quarterly payments (checks of $10,000 or more) of income and profits taxes, may be deposited in tax and loan accounts when, and to the extent, that the funds are not immediately needed by the Treasury. This arrangement was first provided for quarterly tax payments of March 1951.

Beginning in July 1951, railroad retirement taxes became eligible for deposit to these accounts. In July 1953, certain excise tax payments became eligible.

It must be borne in mind that deposits are not made by the Treasury into these accounts. Deposits to the tax and loan accounts occur in the normal course of business under a uniform procedure applicable to all banks whereby customers of bank deposit with them taxpayments and funds for purchase of Government securities. In most cases the transaction involves merely the transfer of money from a customer's account to the Government's account in the same bank. On occasions, to the extent authorized by the Treasury, banks are permitted to deposit in these accounts proceeds from subscriptions to public debt securities entered for their own account as well as for the account of their customers.

The working cash of the Treasury is held in the Federal Reserve banks and branches. The Treasury draws upon these balances for its daily disbursements. As these balances become depleted they are restored in part through various receipts deposited directly to the Treasurer's account at the Federal Reserve banks. However, a large part of the receipts to these accounts is derived by calling in (transferring) funds from the tax and loan accounts in commercial banks.

In brief, the tax and loan account system permits the Treasury to leave funds in the banks and in the communities in which they arise until such time as the Treasury needs these funds for its operations. In this way, the Treasury achieves a balancing effect not obtainable by any other known device, and thus discharges its primary fiscal responsibility of so handling its money as not to affect unduly the economy.

Special depositaries are divided into three groups as follows:

Group A: Those banks whose tax and loan account balance is less than $150,000. Withdrawals from these banks are made less frequently than from banks in the other two groups. There are 9,582 banks in this group.

Group B: Those banks whose tax and loan account balance is $150,000 or more, except those banks which are included in group C. Withdrawals from group B banks are usually made at least twice each week. The frequency of withdrawals from this group of banks will vary depending upon the need for funds at the Federal Reserve banks. There are 1,340 banks in this group.

Group C: Those banks having total deposits amounting to $500 million or more as shown by the latest call reports of the bank supervisory authorities. Calls for withdrawals of balances with group C banks are usually made at the same time as calls on group B banks. However, calls on C banks are subject to later adjustment by way of an increase, decrease, or cancellation on any particular day that Treasury closing balances in the Federal Reserve banks are expected to deviate substantially from the desired level. There are 45 banks in this group.

The Treasury, to the extent possible, gives advance notice of withdrawals to the three groups of banks.

EXHIBIT 2

Percent of tax and loan credits to total deposits for period January–December 1957

[In millions]

	Total deposits	Tax and loan credits	
		Amount	Percent of total
U. S. Government securities:			
Savings bonds	$4,604	$2,725	59.2
Other marketable public-debt issues [1]	15,083	14,955	99.2
Income and social-security employment taxes withheld by employers, railroad retirement taxes withheld by employers, and certain Federal excise taxes	45,550	27,974	61.4
Certain cash payments of individual and corporation income taxes, represented by checks of $10,000 and over, eligible for deposit	4,093	4,093	100.0
Total	69,330	49,757	71.8

[1] Excludes regular weekly issues of Treasury bills.

EXHIBIT 3

Tax and loan credits for period January–December 1957

[In millions]

Month	U. S. Government securities		Income and social-security employment taxes withheld by employers, railroad retirement taxes withheld by employers, and certain Federal excise taxes	Individual and corporation income taxes represented by checks of $10,000 and over	Total
	Savings bonds	Other marketable public debt issues			
January	$304	----------	$1,171	----------	$1,475
February	233	----------	3,014	----------	3,247
March	227	$3,261	2,757	$1,847	8,092
April	227	----------	1,192	23	1,442
May	240	1,485	3,015	----------	4,740
June	214	----------	2,906	2,086	5,207
July	246	2,922	1,247	137	4,552
August	215	1,693	3,002	----------	4,910
September	197	2,692	2,862	----------	5,751
October	202	1,334	1,222	----------	2,759
November	195	1,030	2,824	----------	4,049
December	223	548	2,762	----------	3,533
Total	2,725	14,965	27,974	4,093	49,757

EXHIBIT 4

Tax and loan accounts for period January–December 1957

[In millions]

Month	Deposits	Withdrawals
January	$1,475	$3,238
February	3,247	2,381
March	8,092	4,208
April	1,442	3,838
May	4,740	3,938
June	5,207	5,443
July	4,552	5,801
August	4,910	4,411
September	5,751	3,265
October	2,759	6,004
November	4,049	3,037
December	3,533	4,033
Total	49,757	49,597

EXHIBIT 5

BANK DRAFT PROCEDURE MANUAL

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
FISCAL SERVICE, BUREAU OF ACCOUNTS,
Washington, D. C., January 7, 1949.

GENERAL PROCEDURE

1. Purpose of procedure: The purpose of this procedure is to facilitate the transmission of miscellaneous collections made by public officers to Federal Reserve banks and branches for credit in the account of the Treasurer of the United States.

2. Banks authorized to furnish bank drafts to Government officers: The Treasury, at a location where Government officers have need of banking facilities for the purpose of exchanging their collections for a bank draft, will authorize a bank holding designation as a depositary and financial agent of the Government to render the desired service. The use of bank drafts facilitates the transmission of collections to regional offices for subsequent deposit to the credit of the Treasurer of the United States.

3. Title of banks holding such authorization: Banks authorized to furnish drafts are referred to as "bank-draft depositaries."

4. Type of collections to be exchanged: Bank-draft depositaries will receive from Government officers their collections, consisting of currency, coin, local and out-of-town checks, postal money orders, and postal notes, and issue in exchange therefor a draft drawn in favor of the Treasurer of the United States.

5. Description of the draft: The draft should be payable only to the Treasurer of the United States, and should be drawn on a Federal Reserve bank or branch of the district in which the bank is located, or on a correspondent bank located in the same city as such Federal Reserve bank or branch. The drafts must be presented to the Government officers at the time of presentation of their collections.

6. How checks presented in exchange for drafts will be endorsed: [1] The following form

[1] In some instances, checks presented in exchange for drafts will be drawn on nonpar banks. If such banks disregard the notation on the face of the checks and refuse to remit at par, the checks should be treated as uncollectible items and the bank issuing the draft will be reimbursed by the Government officer as noted in sec. 8.

of endorsement and notation will be placed on checks, postal money orders, and postal notes by Government officers subject to this procedure:

On face of check:

"This check is in payment of an obligation to the United States and must be paid at par. N. P. Do not wire nonpayment.

"(Government agency)"

On reverse of check:

"Pay to the order of_____

"(Name and location of bank)

in exchange for a draft drawn payable to the Treasurer of the United States.

"(Date)

"Name and title of Government officer)"

UNCOLLECTIBLE CHECKS

7. Action on part of bank: If a check (which was included in the funds exchanged for a draft) is uncollectible, the bank will notify the Government officer concerned, giving such information as may be available regarding the uncollectible item.

8. Reimbursement to bank for amount of uncollectible checks: The bank will be reimbursed by the Government officer originally presenting the check for the amount of the uncollectible item. There is attached a copy of Treasury Form No. 448—Bank's Acknowledgment of Cash Redemption of Uncollectible Check.

COMPENSATION OF BANKS FOR FURNISHING BANK DRAFTS

9. Policy of the Treasury in compensating bank-draft depositaries: Depositaries are compensated for their services through the maintenance of balances with such depositaries, and are permitted to purchase 2 percent depositary bonds to be held as security for the balances.[2] The amounts of the balances maintained with depositaries are based upon the average monthly dollar amount of drafts furnished. The following schedule shows the amounts of balances to which depositaries are entitled upon the basis of the average monthly dollar amounts of drafts furnished:

Amount of Treasurer's balance to be allotted bank-draft depositary

Average monthly dollar amount of drafts furnished by bank-draft depositary:	
$1 to $3,000	$2,000
$3,001 to $5,000	3,000
$5,001 to $8,000	4,000
$8,001 to $12,000	5,000
$12,001 to $16,000	6,000
$16,001 to $20,000	7,000
$20,001 to $30,000	8,000
$30,001 to $40,000	9,000
$40,001 to $50,000	10,000
$50,001 to $70,000	12,000
$70,001 to $100,000	15,000

[2] Depositary bonds may be redeemed at par and accrued interest, at any time, at the option of the United States or the depositaries and financial agents, in whole or in part, upon not less than 30 nor more than 60 days' notice in writing, given by either party to the other. The 2 percent depositary bonds are issued in registered form only in the name of the Treasurer of the United States in trust for the depositaries and financial agents to which they are allotted, and are not transferable. Checks covering interest on the bonds are forwarded semiannually on June 1 and December 1. Such interest is subject to all Federal taxes now or hereafter imposed. The bonds are subject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

It is believed that this schedule of compensation will be equitable; however, if, due to unusual circumstances at a particular point, a bank is of the opinion that the schedule is not equitable and will so advise the Treasury, the matter will be given prompt consideration. As indicated, the schedule does not apply in cases where the dollar volume or drafts furnished exceeds a monthly average of $100,000. Such cases will be given individual consideration with a view to arriving at a basis of compensation that is equitable from both the standpoint of the bank and the Treasury.

10. Periodic adjustment of Treasurer's balance: Government agencies using the facilities of the bank will furnish the Treasury with information as to the monthly dollar amount of drafts obtained from the bank. The Treasury will review such information and applying the schedule outlined above, will adjust the Treasurer's balance periodically, not less frequently than twice per year.

11. Procedure to be followed in establishing Treasury balance: The Treasurer's balance, when computed as above, is placed to the bank's credit on the books of the Treasurer of the United States, and upon the basis of the bank's subscription, the funds are used to purchase a 2-percent depositary bond in like amount. The bank will acknowledge credit by signing a transcript (form 18) prepared and forwarded by the Treasury. Further reports on form 18 will be submitted by the bank on the last business day of each month and at such other times as may be requested by the Treasury. The balance in the Treasurer's account will not be withdrawn prior to the expiration of 30 days' written notice from the United States Treasury.

12. Notice of withdrawal or amendment of provisions of this manual: The Fiscal Assistant Secretary of the Treasury may waive, withdraw, or amend at any time, or from time to time, any or all of the provisions of this manual. Notice of such changes will be given by an appropriate amendment or supplement to this manual.

E. F. BARTELT,
Fiscal Assistant Secretary.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, July 31, 1958.

Hon. WILBUR D. MILLS,
Chairman, Committee on Ways and Means, House of Representatives.

DEAR MR. CHAIRMAN: Your letter dated July 30, 1958, requests our views on a suggested provision in H. R. 13580, a bill to provide an increase in the public debt limit, concerning the holding by the commercial banks of tax and loan accounts for the Treasury without the payment of interest.

Reports to the Congress by the General Accounting office on our audits of the Office of the Treasurer of the United States have contained a recommendation that the Congress consider amending present laws to permit banks to pay interest on Government funds on deposit in tax and loan accounts. This recommendation was included in our reports because we believed that the deposits in the accounts may have produced income to the banks in excess of the cost of the services performed by the banks for the Federal Government for which they were not otherwise compensated. In commenting upon our recommendation, the Treasury Department expressed the view that the cost of the services performed by the banks for the Government largely offset the income produced by the tax and loan accounts. The Treasury has also indicated that there are intangible considerations related to the Treasury operations involved in the maintenance of tax and loan accounts for which the cost could not be readily computed.

While we recognize the importance of the intangible aspects of the matter, we believed that the nature and frequency of the tax and loan transactions and the cost of services performed by the banks for the Government were deserving of a further study to resolve the dollar aspects of the problem, leaving the intangible aspects for separate consideration in the future. We have suggested to the Treasury that representative banks having tax and loan accounts be selected for a study of the problem. Inasmuch as the General Accounting Office does not have access to transaction information, daily account balances, and cost data for services with respect to banks, the study would have to be made under the direction of the Treasury Department. We have informed the Treasury Department that we would be pleased to cooperate with their representatives in undertaking such a study. We are having further discussions with the Treasury Department on this matter.

We are pleased to have this opportunity of submitting the above information for the record.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

Mr. REED. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. GWINN].

Mr. GWINN. Mr. Chairman, I have been trying to find in all the debate any evidence at all that what we are doing is going to improve our credit. Is it not perfectly obvious that what we are doing all the time is ruining our credit. Ultimately is not the destruction of credit perfectly obvious? Not a thoughtful Member of this House, including the gentleman from Wisconsin [Mr. BYRNES] and the gentleman from Missouri [Mr. CURTIS] who just spoke, has held out any hope for the improvement of our position financially and creditwise by increasing the debt limit.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. GWINN. I yield to the gentleman.

Mr. BYRNES of Wisconsin. The gentleman is correct, that I did not express it in my remarks; but I think there is always the hope that when people start to understand—and the people must be made to understand where we are—there will be a change in the attitude. There must be a change. If I had the idea that there was no possibility of any change I would certainly be an extremely disheartened man. I am disheartened as it is to see the situation we are in today, but I have not given up hope, because I think there is the potential that the American people will wake up and start demanding that Congress stop this spending spree. And I am sure Congress will be responsive to a feeling for economy on the part of the people. I have not given up the fight and I am still going to exert every effort I can to bring economy into our Government.

Mr. CURTIS of Missouri. Mr. Chairman will the gentleman yield?

Mr. GWINN. I yield to the gentleman.

Mr. CURTIS of Missouri. Mr. Chairman, I simply want to join my colleague from Wisconsin [Mr. BYRNES] in saying that I, too, still have hope and think

that it is worth fighting for. I do say this in my supplemental views. I make a recommendation that well could bring about this control that I know the gentleman is so anxious to see exercised.

Mr. GWINN. If the people back home are to be the source of our hope then, indeed, what hope is there? The people back home do not stop spending. Its doubtful if they can, by any voting proceedures. History and our own experience is that the people vote their liberties away. A President might, a Congress could, by constitutional procedures stop socialism and restore freedom. The people have not manifested either their determination to change this center of administrative power and propaganda, the worst that this modern world I think has seen. We have had three administrations of crisis propaganda all the way.

All these propositions to increase the debt limit to $285 billion are built on the theory of crises. In that the people of the United States are, it seems to me, thoroughly deceived. What possibilities are there, what hope is there, if any, held out to the people? What responsibility, if any, either by the administration or the Congress, is going to be exercised?

We have spoken for the Congress today. The Congress has not shown responsibility, it has not made any promise to the people that it expects to change. You are throwing responsibility back now away from the administration, away from the Congress itself, where it belongs. You have not even mentioned the Supreme Court.

There might be a possibility, if we are going to take the heat off ourselves as Congressmen and exercise our responsibility. We might rise up now and say, "We are going to exercise responsibility in the next few days. We are going to put some responsibility back on the administration." It carries the main burden, because the administration and the last administration and the one before that have made a rubberstamp Congress out of us.

We have, as an independent branch of Government, largely ceased to exercise our independence. We can do that by rejecting all the proposals to spend that we cannot find the money to pay for. Just take these for example:

The National Defense Education Act, carrying over $1 billion, a kind of stunt giving scholarships or prizes by the Federal Government; nearly $300 million for that. That is not needed. We can find every boy and girl of top ranking in scholarship who wants to go to college already has a scholarship. Industry is pleading and competing with each other to give this top group scholarships. So are parents and foundations. This proposal of the Federal Government is just as useless as many of the other proposals. It takes away the responsibility of the individual free citizens in meeting their own obligations. We can stop this now.

The Urban Housing Act, $2,400,000,000. Distressed areas, $275 million. What distressed area is there in this world so distressed as the Federal Government we now have been describing?

Then there is the retraining program, for an unlimited amount of money, a blank check.

Then there is, of course, the foreign-aid program that we have been called upon by the President to make appropriations for. If we said we were not going to make these appropriations unless we had the money, we would pick up another $3,073,000,000 there.

Instead of turning the Tennessee Valley Authority over to be mortgaged to continue indefinitely to pay for power for certain areas at less than cost, tax-exempt, let us do what has been suggested. Let these favored areas finance this TVA project privately and pay off the Federal Government $1,700 million. That is $8 billion all told, the gentleman from Arkansas [Mr. MILLS] may note.

The housing liquidation. What untold possibilities are there are there to find money? There are 700 Government corporations that we could really in earnest begin to liquidate if the Congress would cease being a rubberstamp Congress and rise up and say, "We are going to balance this budget this year or let the administration find the best way it can of borrowing money until it does liquidate these assets."

That will give this country of ours a shot in the arm, I mean a real shot of goodness, of confidence, of credit, of the right way of running a business, a corporation, a government. That is what we need. That honesty. That good credit procedure.

The way we are going we are all depressed. The gentleman from Arkansas [Mr. MILLS], chairman of the committee, is depressed. He knows why he should be as well as any Member.

Why should we go on this way when we have it in our power, or the administration has, to call us back if we adjourn too soon? Let us stay until we get this business straightened out. I think this country is looking for that kind of confidence in its Congress. Bankers are looking. The world is looking to see us strong and not weak. To see us manifest our faith in freedom which is honesty, and not in socialism, which is the world's most dishonest politics.

Mr. GROSS. Mr. Chairman, as one who has consistently voted against billions of dollars of spending, I cannot now support an increase of $13 billion in the ceiling on the Federal debt.

We are told by some speakers that not to increase the debt ceiling is an act of irresponsibility. The irresponsibility rests upon those who advocate and vote for spending measures far beyond revenues and thus place in question the faith and credit of the Government.

Moreover, if the figures are accurate that we have heard quoted here this afternoon this legislation is inadequate. The $13 billion, added to the present ceiling of $275 billion, would provide a total debt limitation of $288 billion. With a present Federal debt of $277 billion, and with an estimated deficit of $12 billion in the present fiscal year, or a total debt of $289 billion by next June 30, it is obvious right now that the $13 billion called for in this legislation is insufficient.

And it is further obvious that the $3 billion of so-called temporary increase in this bill is just so much frosting on the cake. Why attempt to delude the people of this country that there is anything temporary about this $3 billion when with the full amount of $13 billion—$10 billion permanent and $3 billion "temporary"—the ceiling will be insufficient by the end of next June?

This Government is in a deadly serious financial mess. Of the total debt of $277 billion, no less than $120 billion of public issues are due or payable within a year, and all but about $58 billion of the $277 billion are due or payable and subject to refinancing within 5 years.

Where is the Government to get the money? This amounts to forced-draft refinancing and under those conditions what interest rates will the Government have to pay to entice money into the Government securities market?

Yet the freewheeling spenders ride gaily on their way piling up the debt and raising the limitation with the greatest of ease apparently with little or no thought of whose responsibility it will be to put this financial house in order.

This is check-kiting at its worst, and I cannot and will not subscribe to it.

Mr. MILLS. Mr. Chairman, we have no further requests for time.

Mr. Chairman, I ask unanimous consent that all Members desiring to do so may extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. WOLVERTON. Mr. Chairman, the bill now under consideration (H. R. 1350) to increase the public debt to a statutory limit of $285 billion and a temporary additional increase of $3 billion, should be a warning to every Member of Congress, department of Government, and every pressure group of every kind and description—"To stop, look, and listen."

It should be a constant reminder that we cannot as a Nation continue a course of spending that means deficits year after year. It is a matter that cannot and should not be ignored.

Our Government last year had a deficit of $2.8 billion. The deficit for this year is already estimated at $12 billion. There is danger ahead if this trend is not reversed. This cannot continue without creating a condition of inflation that will mean an ever increasing cost of living. This is already high. It affects adversely families living on a small or moderate income, the aged who are living on social security or meager pensions, and those who are depending on the limited savings they have been able to gather after a lifetime of effort.

Furthermore, in this time of great uncertainty when we do not know

whether the future will bring war or peace, we cannot afford to spend our national wealth at a rate that would greatly handicap us in the event of emergency. At such a time we must be in a position to be able to carry on without financial handicaps or restrictions. To maintain our national security is an obligation upon Congress that cannot be treated lightly. It is a primary and fundamental obligation that must be kept in mind. To ignore this duty might spell disaster for the whole country. Our defenses must be kept up to the highest standard of strength and efficiency.

All of this leads me to say again—Stop, look and listen. The time to observe this warning and govern ourselves accordingly is now. We have no right, if we are to fulfill our duty to the people whom we represent, to put this all-important matter off to a later day. Now is the time. Another day or another year may be too late. Now is the time to act. It is most unfortunate that the necessity to increase the public debt does not permit of any other course at this time. But, this should emphasize the necessity of our bringing to a halt the expenditure of funds to the extent that deficits continue to result.

The time is at hand when we must have the courage and the foresight to put first things first and refuse all others that do not strengthen the welfare of our Nation and its people.

Mr. LIBONATI. Mr. Chairman, the increase of the public debt limit early in the session—$5 billion—was a temporary extension. It is now necessary to extend the temporary limitation of $5 billion more in order to meet the subsequent appropriations voted by the Congress since January 1958.

The public debt is a result of deficit spending. The extraordinary demands made upon the Congress to spend great sums of money for emergency expenditures in areas of Government operation not within the general ordinary and common services to the people.

At first glance, it presents a serious problem in the study of finances and its relation to the stability of the economy. The national debt is in fact an accumulation of defict dollars spent upon the programs that gave the American people the strength and military power to maintain their leadership among the liberty loving nations of the world—to say naught of the destruction of the enemies of freedom.

There will be deficit spending until the day of judgment, if our enemies remain a national threat to our existence as a nation. It is fortunate that we have been able to function in spite of the disturbing factors that affect our national prosperity and the internal security and confidence of our people.

The dollars owed are the dollars that saved the Republic and gave inspiration to weakened nations to become strong. Our service forces are a match for any ambitious enemy. We are on the threshold of winning the cold war—or at least preventing a hot war as long as we can maintain the military strength of the Armed Forces and the civilian productivity of our industries.

It cost money to pay the expenses incurred in our fight for our existence as a nation and if we lose our financial stability for the period that it takes to prove that we will prevail—then we must shoulder the responsibility as representatives of the people and continue to vote those measures necessary to guarantee the continuation of the fight for the free of free nations and thus promulgate the faith of a free people in their public servants.

Mr. O'HARA of Illinois. Mr. Chairman, we are all aware of the tremendous impact made upon the world when it was announced that a safe, effective and potent vaccine had been developed against poliomyelitis by Dr. Jonas Salk. People who had contributed their money to that research effort for 17 years were able to see their hopes finally realized. Mothers and fathers all over the world breathed easier.

While many people, because of their own personal contributions, were aware of the costs involved in just this one research project, few realized that Dr. Salk accomplished his work in an inadequate laboratory of an outmoded building. I use Dr. Salk's case only to illustrate a situation typical of those faced by many outstanding medical investigators throughout the country. For like him, they have been making their contributions to medical science by conducting vital programs in facilities designed for lesser programs of 40 and 50 years ago.

It was announced recently that Dr. Salk is not resting on the laurels received in his conquest of polio but is currently working in many fields, including that of cancer research. There is no doubt in the minds of many people, including myself, that he will make other significant contributions as the years pass by. Yet it is reported that he still works in the same crowded, inadequate quarters that he occupied while developing the polio vaccine, in spite of the important financial support that is made each year to his costly but productive program by many groups. Those responsible for medical education and research have informed us that his is not an isolated case but, in fact, symbolic of the majority of investigators in our medical teaching centers.

I am well aware that these conditions exist, because they have been brought to my attention insofar as the medical schools of my own State are concerned. For instance, one medical school building in Illinois is a discarded old hospital which was converted some 28 years ago. The administration of the school has utilized every possible inch of space and, in spite of continuing repair work, the quarters are very crowded and inadequate for research and teaching activities. I am sure you can realize how virtually impossible it would be to keep a qualified research staff intact under such adverse conditions. It is done only because of the dedication of the researchers involved. While it is planning to build a new medical structure costing several millions of dollars, the school does not have enough funds from private sources either on hand or anticipated in the future. Its only hope lies in our passing favorable legislation such as H. R. 12876, which will appropriate Federal matching funds for construction of such multipurpose facilities. Therefore, I recommend that we do all in our power to see that H. R. 12876 is approved here today.

Mr. HIESTAND. Mr. Chairman, never in the 6 years I have been a Member of Congress, have I seen and heard such demagoguery as has been displayed in this debate. Certain Members who have rarely, if ever, been known to lift a finger or cast a vote against a spending measure, have stood up in righteous indignation, criticizing the President's request for an increase in the debt limit.

The responsibility for our sad financial condition must be borne by this body, for, under the Constitution, we hold the purse strings.

If the budget is to be balanced, it must be done here. Yet, in the 85th Congress the spenders have held the balance of power, and have time and again voted more money for various projects than has been requested by the executive branch. And now they have the unmitigated gall to try to shift the blame to the President.

The national budget is the people's budget voted by the representatives of the people. It is Congress' budget and the unbalanced condition is the fault of the spenders, namely, the majority party. The responsibility should and must be placed on their doorstep.

Mr. RAY. Mr. Chairman, it gives me no pleasure to say I feel compelled as a matter of duty to vote for the increase in the Federal debt limit presented today in H. R. 13580. That increase is necessary if our credit is to be maintained and it is made necessary by the scale of Government expenditures authorized by Congress.

Mr. FLYNT. Mr. Chairman, earlier in this session of Congress when the House acted to extend the ceiling on the debt limit $5 billion, I voted against the increase. Today as we consider the proposal to increase it an additional $8 billion, I am compelled to vote against it.

My opposition to the first increase this year was predicated largely on the fact that I believed it to be only the beginning of a series of future increases, which may in the very near future get completely out of control and perhaps destroy the economy of our country. The only effective way to curtail extravagant spending, duplication of expenditures and wanton waste of our resources is to carefully search out places where unnecessary expenditures can be prevented.

I have never employed the meat-ax approach to amendments to appropriations bills, and yet where consistent with public interest I could vote to reduce certain appropriations. I have consistently sought to do just that. Usually I have found myself in a numerical minority when those efforts were made.

It is becoming increasingly clear that an increase in the public debt limit invariably sets off a new spiral of inflationary measures which can very realistically do that which the enemies of our way of life have never yet been able to do—and that is to destroy America.

An increase in the public debt limit is one of the most vicious forms of taxation, because it imposes taxes to be paid at a future time, and the initial impact of a tax increase is not felt because the time of payment is delayed. It is similar to a delayed-action fuse—it doesn't explode immediately but inevitably it does.

I realize fully the necessity of carrying on the functions of our Government, but I realize the equally great importance of our Federal Government living within its anticipated revenues. During the current session there have been many pieces of legislation which I would have preferred to support, but I felt compelled to vote against them, because in my judgment it would have been an unnecessary increase in the deficit with which we are faced during this fiscal year.

Several years ago in my home State of Georgia, the State auditor, who for many purposes serves as the fiscal officer of our State, advised the then Governor that the revenues for that particular year would not be sufficient to meet the appropriations. The Governor of our State, without hesitation, immediately issued an executive order directing all department heads to cut each individual department budget by 6 percent. There was loud protest and complaint, but it was done effectively without the curtailment of a single essential function of government.

It may someday become necessary for this same positive action to be taken, perhaps by the Congress itself, to order an across-the-board cut in appropriations bills in order that the national budget may be kept in balance.

As one Member of Congress, I have conscientiously tried to avoid annual deficits and the necessity for increasing the ceiling on the public debt limit. This I shall continue to try to do. For that reason, Mr. Chairman, I shall vote against the bill, H. R. 13580.

Mr. THOMSON of Wyoming. Mr. Chairman, this is indeed a day of reckoning. It is a day when every Member of Congress and every American citizen should appraise very carefully and seriously where this country is heading and what we are doing to our children and, yes, even their children. It is important that we consider our past actions, but most important of all is to determine a course of action for the future.

On last January 21, I spoke in support of the motion to recommit and later voted for that motion which would have limited the increase in the debt ceiling to $3 billion instead of the $5 billion. At that time, I warned that if we voted more than required for management purposes, we would "be contributing to the accomplishment of the objective of those who are for fiscal irresponsibility and wholesale deficit spending." It is not my intention today to say, "I told you so." It is important, though, that we should look at the basis for the increased deficit estimate appearing on page 3 of the committee report. All of us are for the defense necessary to the security of this country, but I point out to you that of the $5.2 billion additional expenditures projected in fiscal year 1959 over and beyond those estimated in the January budget, only $700 million is for defense. I further point out to you that in almost every instance, these additional expenditures were not nearly enough to satisfy a very substantial portion of this House. As a matter of fact, it was only by close votes, with the help of responsible Democrat members, that we were able to hold the increases to the amounts confronting us or to prevent the adoption of expanded or new programs costing additional billions of dollars. I further point out that as far as public works construction, the total addition is only $49 million, as per the testimony of the Director of the Bureau of the Budget, appearing on page 26 of the committee hearings.

There is another significant item of which I think we should take particular note. As shown on page 2 of the committee report, the deficit of $2.8 billion for the fiscal year ending June 30, 1958, resulted from a reduction in receipts, estimated in January at $72.4 billion, to an actual $69.1 billion. Throughout the course of this Congress, we have listened to advocates of big government and big government spending advocate and advance all kinds of Government programs as essential to improving the economic situation. I think it is significant to note that the economy made its upturn without such irresponsible spending. The faith some of us expressed in our free economy has been justified. The Government spending which requires us to increase the debt ceiling is yet to come. With it will come inflation. That is a major contributing factor to the cost-of-living increase. I only hope that this can be made clear to the man in the street and that the blame will be placed squarely where it belongs.

The alarming, but not surprising, thing is that the big spending advocates continue, by their votes and actions, to push their programs, even after the economy has made the upward turn. On page 7 of the committee report on the Community Facilities Act, it is stated:

> The paramount and overriding consideration is to stimulate construction and economic activity generally so that jobs can be immediately created and so that once again we can have a framework of economic expansion and optimism.

By the time this was called to a vote, there was practically unanimous agreement on the economic uptrend. Yet this measure was defeated on the floor of this House by only 14 votes. As reported in the press, it is still listed as "must" legislation by the Democratic leadership. I say this is not surprising, because it, together with many other programs, was included in the proposed program for the Democrats in the House of Representatives in the 85th Congress, as printed in the CONGRESSIONAL RECORD of January 30, 1957, when the economy was running at its all-time peak. The fair conclusion can only be that under any conditions, these people are for this big spending program and others.

As mentioned, other bills being actively pushed, calling for billions of dollars of expenditures, are at least temporarily blocked in the Rules Committee. There are strong pressure groups backing each one of these, as well as many more calling for expenditures of additional billions which have not as yet progressed as far as the Rules Committee.

The situation is indeed alarming. It is time for each one of us to appraise the future. Unless we do that and follow up with responsible action, this country is indeed in great peril. On January 21, 1958, speaking on the $5 billion increase, I warned against playing into the hands of those who have bragged that they will destroy America from within by destroying us economically. We have moved a few more billion dollars in that direction.

Back in our congressional districts, at least for sure in my own, the same old political tune is being played of insisting that we should have an immediate, across-the-board tax reduction, and at the same time that these additional spending programs should be supported. That only adds up to future increases in the debt ceiling, more inflation, a higher cost of living and the eventual destruction of America. We must keep this foremost in our minds in the years ahead, in the months ahead, but particularly in the days ahead, as we are subjected to pressures to bring out and vote for additional grandiose spending programs.

To meet this situation, we, as Members of Congress, must evidence "backbone" instead of "wishbone." Really what is most required is for individual Americans to realize what is being done "to them" instead of "for them."

I expect to vote for this increase because, as has been stated, the United States of America must pay its bills. In so doing, though, I am rededicating myself to the proposition, as, I am sure, are the majority of the Members of this body, that this deficit spending will be halted. This must be given full consideration in evaluating every appropriation, from foreign aid to our own defense spending. We can provide the necessary and proper functions of government, pay something on the national debt instead of adding to it, and have a tax reduction, if we will just do it. Furthermore, I think that course of action, once taken and properly defended, would meet with the overwhelming approval of the majority of Americans.

Mr. COLLIER. Mr. Chairman, the bill before us today to increase the debt limit for the second time within a year is an admission of the fiscal irresponsibility of the 85th Congress. We have failed to live within our means during the past 2 years. We committed ourselves to spending more money than the amount which tax revenues produced. Certainly the majority of the Members of Congress who supported increased spending must have been aware of the fact that our fiscal income would not be sufficient to meet the obligations we incurred.

There are some of us in the Congress who have earned the right to cast a vote against this bill solely upon their voting records during the past 2 years. I am

proud to offer my voting record during this session of Congress in this light for I do not believe in deficit spending in Government when prudence could have made the legislation before us today unnecessary.

While increasing the public debt limit may now be necessary, I believe that the minority Members of this House who foresaw this situation and voted to keep Government spending within the means of a balanced budget have every right to cast a negative vote against this legislation. Accordingly, this I intend to do.

Mr. ROBISON of New York. Mr. Chairman, I was sworn in as a Member of this Congress on January 20, 1958. Three days later, on January 23, 1958, I voted, with the great majority of this body, in favor of final passage of H. R. 9955, an act providing for a temporary $5-billion increase in the so-called public debt limit.

That could truly be called a baptism under fire for one who had always interested himself in the problems involved in trying to encourage municipal governments to operate as economically as possible and on the basis of sound fiscal policies.

As was predicted by some of my colleagues at the time of that vote, we are now again faced with the necessity for considering another debt limit increase. I am sure we are all now acting with reluctance. That fact is apparent from this afternoon's debate. But it is also apparent that many of us are acting with a deep sense of foreboding for the future of this Nation. I wish to associate myself with that portion of this body. I have been particularly moved by the remarks of my colleague, the gentleman from Wisconsin [Mr. BYRNES], and I trust that future Congresses will give heed to the warnings he has so ably expressed.

I am fully cognizant of the necessity of keeping the credit of the United States sound, and I would do nothing which could conceivably mean that the obligations of this Government will not be met in full and on time. However, I believe that it is a good thing for Congress to be required, every now and then, to stop and consider the consequences of its actions. For those wage earners of America whose Federal income taxes are withheld, it is probably only once a year, on making up their annual tax returns, that they fully realize how much their Government is costing them. In the same fashion, while this debt management legislation, as the gentleman from Missouri [Mr. CURTIS] has called it, does not really limit the debt of the United States, being required to periodically consider temporary increases in the fictional ceiling does, as it is doing today, cause the Congress to reevaluate its own financial record and responsibilities.

Robert Frost, the poet, has written about the Hardship of Accounting, in these words:

> Never ask of money spent
> Where the spender thinks it went.
> Nobody was ever meant
> To remember or invent
> What he did with every cent.

I think Congress should be required to know "where the money went," and if, Mr. Chairman, the proposed $10 billion increase in the permanent debt ceiling will help us avoid such an occasional accounting in full to ourselves, it seems to me this bill should be defeated. If we were not operating under a closed rule, I believe many of us would support an amendment to make all of the proposed $13 billion increase temporary in nature. Since we will not have such an opportunity, I for one, will feel constrained to vote against the bill.

Mr. BROWNSON. Mr. Chairman, I feel today as though I am walking a familiar and a lonely path. For the second time within 6 months we are being called upon to increase the national debt limit—to pledge the wages of generations yet unborn that we may live it up today without facing up to our responsibilities.

On January 23 of this year, I voted against increasing the national debt limit by $5 billion, although at the time we were assured this increase was only temporary to tide the Nation over until June 30, 1959. Today we are being asked not only to make that $5 billion permanent, but we are being asked to add another permanent $5 billion increase, and, on top of that, to add yet another $3 billion, labeled "temporary." This means a $288 billion limit, which supposedly will drop back to a permanent ceiling of $285 billion in June 1960. If the country keeps on electing Democratic Congresses, do you honestly think the national debt will drop back?

From $275 billion to $288 billion in two easy votes.

Every man, woman, and child in Marion County, the 11th District of Indiana, which I represent, now owes $1,580.72 each on the national debt. By raising the ceiling today we will be adding $46.01 in debts on each of their shoulders. We will be adding another $28.7 million to Marion County's share of the national debt, which right now stands at a total of $1.18 billion.

Where are the great economy-minded Members of Congress of 1957? I see on the floor today the same Representatives who a year ago were boasting to their constituents of having slashed $5.7 billion from the Federal budget. This year, panicked by sputnik, alarmed by their own recession propaganda and dedicated to the idea of Federal aid for everyone in an off-election year, they have already added $3,850 million to the President's record-breaking peacetime budget. The proud tradition of spend and spend to elect and elect goes on. Why spoil the fun by bringing up the tax-and-tax aspect, say the big spenders, when it is so much simpler to charge it all up against the national debt for tomorrow's citizens to pay? Is the new equation to be sputnik equals spending—defense equals debt—recession equals red ink?

The Democratic leadership of the House and Senate this year have voted money to various departments far in excess of the Executive budget requests. For example, independent offices budget was raised by $655 million above the sum the President requested. I am pleased that the President has seen fit, in the name of economy to veto this unnecessary commitment of funds. In this bill, Congress decided to give the Department of the Interior $45 million more than the department itself felt necessary to operate during fiscal 1959. Because of congressional action, the Departments of Labor and Health, Education and Welfare will receive $167 million more than the President requested in the budget.

Now in conference is the public works appropriation bill, which may grant up to $1.5 billion more than requested in the President's budget. Also still in conference is the Defense bill, in which Congress wants to give as much as $1.2 billion more than President Eisenhower, and his top military advisers, felt necessary for top national security this year.

Perhaps this desire to be lavish with the military was really sparked by the Russian success with sputnik, perhaps it resulted from a guilt complex dating back to the last session. You will remember we had trimmed about $2.5 from the defense budget. The President and his top advisers took a long look. "We will live with the cut," they said, "if you will just give us $313 million back in areas where you have cut so deep that no true economy resulted." In the name of economy the Democrats, in an almost 100 percent party line vote, refused to restore this $313 million for Army research and development, naval airpower, and planes for the Air Force. This year these same Congressmen insist on forcing $1.2 billion, which the President does not request, onto the military which needed the $313 million last year.

It is obvious that placing a debt limitation ceiling has not and probably will not reduce Federal spending, of itself. I do not know of any one significant move Congress can take to regain control of this Nation's purse strings and balance income and spending to eliminate deficit financing. This bill we are discussing today does, however, offer the mine-run Member of Congress a mechanism for protest. In that spirit, I shall vote against it today and again Wednesday when I expect a rollcall vote will be taken. This protest is consistent with the economy votes I have cast in this and preceding Congresses.

If every economy amendment which I have supported had passed, there would be no need for this bill raising the debt limit, today. With the exception of my vote to restore a small fraction of the slash in defense funds, I voted for every appropriation cut to come before the House last year. This year I have voted against every appropriation increase and every panic inspired pump-priming scheme to be thrust on this House. I have supported all of the pitifully few economy moves initiated in Congress this year. Despite the short memory of Congress as a whole, my folks back home are no less troubled by big Federal spending in 1958 than they were in 1957.

I fought in my Government Operations Committee and on the floor of the

House this March for passage of H. R. 8002, in which lies the key to curbing our present uncontrolled spending. I was distressed yesterday to hear objection raised to an effort to obtain House agreement to Senate amendments to H. R. 8002. I understand the House Rules Committee meets tomorrow morning to consider a rule bringing H. R. 8002 to the floor. If this bill is permitted to die, the hopes of millions of taxpayers for Federal fiscal responsibility will fade with it. The possibility that the national debt limit ever will be actually permanent, or that the debt itself will ever be reduced, will fade also.

Under Truman and his Democratic Congresses, we watched the national debt skyrocket by more than $33 billion from Roosevelt's $234.1 billion to Truman's $267.2 billion. Since President Eisenhower took office, it has climbed another $7.9 billion, despite the efforts of his one Republican Congress to cut spending. Under present conditions, with little congressional control of the Federal purse strings, and with Congress itself voting billions for programs of little merit, the outlook is bleak.

Our citizens have most reluctantly resigned themselves to the fact that there will be no income tax cut this year. They will go on handing the Federal Government a portion of their paychecks equal to the amount they set aside for the family groceries. I do not think they are prepared to make this sacrifice only to learn that the budget is again out of balance, that in times of relative prosperity, we cannot live within our Federal income.

There are three courses open to Congress which are fiscally honorable and honest. First, we can reduce spending enough so we can cut taxes and still balance the budget. Second, we can reduce spending, leave taxes where they are and still balance the budget. Third, we can go on spending the way we are, raise taxes and still balance the budget.

To do as this Democratic Congress has done this year, to spend recklessly, to reduce excise taxes slightly and to increase the national debt at the expense of our children and grandchildren is deceitful, dishonest, and degrading.

We have passed on many cases of contempt of Congress recently. Perhaps it is time the spenders in Congress should be held in contempt of the taxpayers.

THERE IS NO FREE LUNCH

Mr. SCRIVNER. Mr. Chairman, the President cannot spend a single nickel unless Congress authorizes it. Authorization is the responsibility of Congress, not of the President.

We all know, but too often are prone to evade the fact, that whatever we authorize to be done by the Executive carries a price tag. All too often we authorize programs and evade our responsibility by not, at the same time, providing the revenues to pay the price of the program.

By this evasion or failure on the part of Congress—its majority, and its leadership—we bring about just one thing, deficit spending, financing by borrowing, thus putting off the evil day when we must "pay the piper"; in too many instances our grandchildren will pay the bills we ourselves run up.

Some day every American, every citizen, every taxpayer, every Member of Congress, and every Government employee must learn one fundamental lesson. That lesson is taught in the folloowing little folksy tale which appeared in the Washington Daily News on March 11, 1958:

THE FABLE OF THE KING AND THE ECONOMISTS

Once upon a time a great and wise king ruled a populous and prosperous land. The width and breadth of his kingdom were measured in thousands of leagues.

But a plague of poverty came upon that land, and no man knew its cause. There were mighty and inconclusive arguments in the halls of government, and learned graybeards in the schools advocated this remedy or that. This king, seeing that his people were distressed and starving in the midst of plenty, called his wisest counselors from the four quarters of the kingdom.

Seated on his golden throne and arrayed in his royal robes, he commanded them to give forth with their wisdom. Then began an argument that lasted all through the night, until the king's head drooped wearily with the weight of the sapphires and diamonds in his golden crown. As dawn was breaking he arose, and said:

"Here is only confusion of tongues. I have heard many of ye speak of this science called economics. Mark well my words: One month hence let all the economists of my kingdom assemble here, bringing with them a short and simple text on this subject of economics, so that I may find light and my people may be saved."

A month passed. The economists assembled, and their number wsa 2,010.

"Where is my short text on economics?" asked the king.

"O, sire," replied the chief economist, "we have it not. To prepare such a text will require at least a year."

"That," said the king, "is a long time, and my people languish. But go, now, and get to work without delay."

A twelvemonth later the economists took their places in the great audience hall, around the crystal walls of which stood the palace guards, armed with spears and cross bows. Then stood forth the gray-bearded chief economist.

"O, King," he said, "we have labored with all diligence and have prepared the short text on economics for which you asked. We have it here in 87 volumes of 600 pages each, generously and handsomely illustrated with charts and graphs."

The King, exceedingly wroth, raised his scepter and let it fall with a crash, so that the great sapphire in its tip took a large bite out of the table top before him. And the guards, raising their cross bows, shot 1,005 of the economists.

"Now," thundered the King, "get ye gone, and return not until ye have written me a really brief text on economics." And the remaining economists fled down the long hall, and the iron doors of the palace clanged behind them.

But, another year having passed, they returned, and the aged spokesman spoke with prideful voice:

"Sire, at last we have just what you want. We have reduced our work on economics to 63 volumes by eliminating the graphs and charts."

Again the King raised his scepter and brought it down, with such force this time that the great sapphire remained embedded in the walnut and pearl of the table top. Again the guards shot their cross bows, and again the number of economists was reduced by half. And those left alive fled once more from the King's wrath.

Year after year they returned to the palace, bringing each time a slightly more condensed version of the Joint Official Text on Economics. But never was the King satisfied, and each time the palace guards mowed down more economists until at last only one remained alive. He was a man of profound wisdom, but aged and feeble, so that never had he been able to make his voice heard above the disputations of his learned colleagues.

And a day came when this last economist plodded slowly to the palace and sought audience with the King, himself now a graybeard, sad, and bent with pondering the troubles of his people. Trembling, the last economist approached the throne, prostrated himself before the King, and spoke:

"Your Majesty, I have reduced this subject of economics to a single brief and easily remembered sentence. Yet will I wager my head that you will find my text a true one, and not to be disputed."

"Speak on," cried the King, and the palace guards aimed their cross bows. But the old economist rose fearlessly to his feet, stood face to face with the King, and said:

"Sire, in eight words I will reveal to you all the wisdom that I have distilled through all these years from all the writings of all the economists who once practiced their science in your kingdom. Here is my text:

"There ain't no such thing as free lunch."

The bill is as follows:

Be it enacted, etc., That section 21 of the Second Liberty Bond Act, as amended (31 U. S. C., sec. 757b), is amended to read as follows:

"SEC. 21. The face amount of obligations issued under authority of this act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate $285 billion, outstanding at any one time. The current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder thereof shall be considered, for the purposes of this section, to be the face amount of such obligation."

SEC. 2. During the period beginning on the date of the enactment of this act and ending on June 30, 1960, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended by the first section of this act, shall be temporarily increased by $3 billion.

SEC. 3. The act entitled "An act to provide for a temporary increase in the public debt limit", approved February 26, 1958 (Public Law 85-336; 72 Stat. 27), is hereby repealed.

The CHAIRMAN. Under the rule, the bill is considered as having been read for amendment. No amendments to the bill are in order except amendments offered by direction of the Committee on Ways and Means. Are there any committee amendments?

Mr. MILLS. Mr. Chairman, there are no committee amendments.

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Mr. Chairman, are pro forma amendments to strike out the last word in order?

The CHAIRMAN. Under the rule, no amendments are in order except amendments offered by direction of the Committee on Ways and Means.

Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. EDMONDSON, Chairman of the Com-

mittee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 13580) to increase the debt limit, pursuant to House Resolution 671, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MILLS. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of the bill be postponed until tomorrow.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Mr. Speaker, does that mean that the yeas and nays have been ordered and the vote will be taken by the yeas and nays without any further action on the part of the House tomorrow?

The SPEAKER. That is correct. The yeas and nays have been ordered.

Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK] that further consideration of the bill be postponed until tomorrow?

There was no objection.

EXTENSION OF THE NATIONAL WOOL ACT

(Mr. HILL asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HILL. Mr. Speaker, the following is a letter I received from the National Wool Growers Association:

NATIONAL WOOL GROWERS ASSOCIATION,
Washington, D. C., August 5, 1958.

Hon. WILLIAM S. HILL,
United States House of Representatives,
House Office Building;
Washington, D. C.

DEAR CONGRESSMAN HILL: The National Wool Growers Association, authorized to speak for 97 State and regional wool grower organizations in the United States, strongly support the position taken by you and the other members of the House Agriculture Committee in urging the suspension of the rules and the passage of S. 4071, the farm bill. As you know, it contains an extension of the National Wool Act and this is extremely important to the wool growing industry in this country.

The present act has been very successful but it expires at the end of the current marketing year. If no renewal is enacted at this session, there will be no wool support legislation for next year. We feel Congress should act as expeditiously as possible inasmuch as wool prices, lamb marketing, and the financing of our operations are already being seriously affected by uncertainty as to whether or not the Wool Act will continue. With the session so near closing, with the obvious difficulty there would be in obtaining a rule, we feel the committee is moving properly in seeking to enact this legislation at this time.

We feel certain that the conference committees can iron out major differences existing in the House and Senate versions of the farm bill and can develop legislation which will be acceptable to the administration.

We are alarmed by the positive statements of the leadership in the House that unless the rules are suspended and the bill passed that there will probably be no farm legislation this year.

This would be disastrous to the American sheep industry and would certainly cause a heavy liquidation of flocks in the United States.

We sincerely hope the committee will receive sufficient support for their unanimous position to secure immediate passage of S. 4071.

Sincerely yours,

DON CLYDE,
President.

LAW ENFORCEMENT

(Mr. FORD asked and was given permission to revise and extend his remarks at this point in the RECORD.)

Mr. FORD. Mr. Speaker, all of us were shocked, I am sure, to read the headlines in this morning's newspaper, "Human Torch Tells of Torture; 'You're Next,' Kinsman Warned."

The article following carried a Michigan dateline and is therefore especially disconcerting to those of us from that State. That a human being could be turned into a human torch by two men in the State of Michigan in the year 1958 is appalling indeed. This horrible crime reminds one of the gangsterism that prevailed in Chicago during the 1920's and 1930's. It reflects upon the honor of our State, and we who are citizens of Michigan are gravely concerned.

That the victim was an ex-convict and an individual who had invoked the fifth amendment before the McClellan Senate Investigating Committee does not make this terrible crime any less horrible. The flaunting of the law is always a tragic example for your youth.

Every law-enforcement officer in the State, from the highest to the lowest, has a sacred obligation to see that the two perpetrators of this evil deed are brought to justice at once.

It is our hope that the chief executive of our State will promptly use all the power of his office to effect the apprehension of those two men who apparently are devoid of any decency or humane considerations.

We seek and need more, however, than the mere capture and conviction of two criminals. We in Michigan need to review our general attitude toward violence and disregard of law in whatever form we find it. This torch burning is an extreme and pathetic example. But violence in any form is to be deprecated. Intimidation, blackmail, sabotage, any destruction of property, or threat to an individual cannot be condoned if we are to have a stable and productive society.

This crime at Pontiac emphasizes the great need for a reevaluation of our policies toward the rights of individuals, and the obligations of all groups in our society.

No single group may be above the State. No group or individuals within a group can allocate to themselves the right to administer justice even in an intragroup dispute. This must remain the sole prerogative of the State.

We must also reexamine any policy which tends to destroy individual rights and privileges. Our law-enforcement agencies have been established to protect and defend individuals. Unless they do that we have lost the prime purpose for the existence of government.

It seems regrettable but legitimate to raise the question whether the overall political climate in Michigan in recent years has been such as to create an atmosphere where such acts of violence occur.

Mr. Speaker, we from Michigan are not proud of what happened at Pontiac yesterday. Speaking for the people of my State, I can assure you that we will insist on swift justice. We will demand that the law-enforcement officials, from the Governor on down, and especially his cabinet, demonstrate their sincerity and ability by taking action to assure us that there will be no reoccurrence of a similar episode. We will expect a comprehensive review of the overall policies of our State government with a view to more effective protection to every individual resident of the State.

CONVEYANCE OF CERTAIN REAL PROPERTY TO POTTER COUNTY, TEX.

Mr. ROGERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5949) to provide for the conveyance of certain real property of the United States located at the Veterans' Administration hospital near Amarillo, Tex., to Potter County, Tex., with amendments of the Senate thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, lines 10 and 11, strike out "during a period of 20 years from the date of such conveyance" and insert "or other related health purposes."

Page 2, lines 12 and 13, strike out "prior to the expiration of such 20-year period."

Page 2, line 14, after "purposes" insert "or other related health purposes."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

JUDICIAL CONFERENCE OF THE UNITED STATES TO ESTABLISH INSTITUTES AND JOINT COUNCILS ON SENTENCING

Mr. CELLER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (H. J. Res. 424) to improve the administration of justice by authorizing the Judicial Conference of the United States to establish institutes and joint councils on sentencing, to provide additional methods of sentencing, and for other purposes, with

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: House rejected farm bill. House passed bill to increase public debt limit. House received conference report on trade agreements extension bill. House Rules Committee reported resolution to agree to Senate amendments to accrued expenditures budgeting bill. House committee ordered reported bill to grant REA Administrator more authority. Sen. Humphrey urged long-term extension of Public Law 480. Sen. Ellender introduced bill to provide revolving fund for USDA loans.

HOUSE

1. FARM PROGRAM. Voted, 210 to 186, to suspend the rules and pass S. 4071, the farm bill. Since this was not the required two-thirds vote for passage under suspension of the rules, the bill was rejected. p. 15049

   Rep. Anderson stated that food prices are increasing and that he has "predicted time and again consumers do not benefit from legislation and administrative action to depress farm commodity prices." p. 15044

   Rep. Harvey discussed the farm situation, particularly with regard to feed and livestock, and urged enactment of legislation for increased research on the industrial utilization of farm products. pp. 15085-89

2. ELECTRIFICATION; ORGANIZATION. The Government Operations Committee ordered reported with amendment H. R. 11762, to provide that Sec. I of the Reorganization Plan No. 2 of 1953, giving the Secretary administrative control over all USDA agencies, shall not hereafter apply to REA. p. D805

3. FOREIGN TRADE. Received the conference report on H. R. 12591, to extend the authority of the President to enter into trade agreements (H. Rept. 2502). As reported the bill, among other things, extends the President's authority to enter into trade agreements for 4 years; restores a House provision that action found and reported by the Tariff Commission in an escape-clause proceeding to be necessary to prevent or remedy serious injury is to take effect if approved by the President or, if disapproved by the President, upon the adoption by both Houses of a concurrent resolution stating that the House and Senate approve the action so found and reported by the Tariff Commission to be necessary; and deletes a Senate amendment providing for the establishment of a bipartisan commission, the Commission on International Trade Agreement Policy, to study and recommend improvements in international trade agreement policies. pp. 15083-85-, 15115

4. PUBLIC DEBT. Passed without amendment, 286 to 108, H. R. 13580, to increase the public debt limit to $285 billion. pp. 15048-49

5. BUDGETING. The Rules Committee reported a resolution to agree to the Senate amendments to H. R. 8002, the accrued expenditures budgeting bill. pp. 15049-50, 15114

6. FRUIT AND NUT IMPORTS. Voted, 136 to 109, to suspend the rules and pass H. R. 11056, to amend the Agricultural Marketing Agreement Act so as to extend restrictions on certain imported citrus fruits, dried fruits, walnuts, and dates. Since this was not the required two-thirds vote for passage under suspension of the rules, the bill was rejected. p. 15050

7. APPROPRIATIONS. Received the conference report on H. R. 12738, the Defense Department appropriation bill for 1959 (H. Rept. 2503). pp. 15081-83

8. MILITARY CONSTRUCTION. Agreed, 256 to 135, to the conference report on H. R. 13015, the military construction authorization bill. pp. 15044-48

9. EDUCATION. The Rules Committee reported a resolution for consideration of H. R. 13247, to strengthen the national defense and to encourage and assist in the expansion and improvement of educational programs to meet critical needs. (pp. 15050, 15114) Rep. Dwyer spoke on the need for enactment of this legislation. (pp. 15106-07)

10. ATOMIC ENERGY. Rep. Holifield criticized the President's statement taking exception to certain provisions of the atomoic energy authorization bill, including the development of certain power reactors. pp. 15103-106

11. PERSONNEL. The Government Operations Committee reported without amendment S. 1903, to authorize the payment of transportation expenses for Presidential appointees assigned to duty posts outside the continental U. S. (H. Rept. 2487). p. 15115

The Ways and Means Committee reported without amendment H. R. 11098, to repeal Section 1505 of the Social Security Act to provide that in determining eligibility of Federal employees for unemployment compensation their accrued annual leave shall be treated in accordance with State laws. p. D807

12. PROPERTY. The Government Operations Committee reported without amendment H. R. 13673, to amend the Federal Property and Administrative Services Act to permit donations of surplus property to volunteer fire-fighting organizations (H. Rept. 2494). p. 15115

Mr. ARENDS. That is correct.

Mr. KILDAY. Then there was a motion to recommit with instructions to eliminate the provision as to the San Jacinto Ordnance Depot from the bill, and on a roll call that motion to recommit was defeated?

Mr. ARENDS. That is correct.

Mr. KILDAY. Then in the Senate the language was made much stronger and tighter than the House language. I believe the gentleman said the provision in the conference report is not as objectionable to him as the original language.

Mr. ARENDS. The Senate provision, I agree, is much improved over the House provision.

Mr. KILDAY. Anyway, we have the situation in which the effort was made to eliminate the provision from the bill both by amendment and by a motion to recommit, neither of which carried, and then the Senate language made it more acceptable to the gentleman than was the House language and the gentleman is still opposing.

Mr. ARENDS. That is correct.

Mr. KILDAY. So the House passed on it twice.

Mr. ARENDS. Of course, I would be more pleased about the whole matter if it were stricken from the bill.

Mr. FEIGHAN. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman.

Mr. FEIGHAN. Mr. Speaker, I wish to compliment the very able and distinguished gentleman from Illinois and to associate myself with him in his views on this matter.

Mr. ARENDS. Mr. Speaker, I thank the gentleman from Ohio very profusely. His support means a great deal to me. He has the courage of his convictions.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman.

Mr. GROSS. Mr. Speaker, I want to associate myself with everything the gentleman from Illinois has said, and add only that if this provision is approved it will be paving the way for the Texas land grab of 1958.

Mr. ARENDS. I thank the gentleman from Iowa. I know how strongly he feels on this important matter.

Mr. RIVERS. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from South Carolina.

Mr. RIVERS. Does not the gentleman think that his language is rather strong, to accuse the great Committee on Armed Services of being a conscious party to a land grab? If this is passed, it will come back to the committee and be referred to the Subcommittee on Real Estate of which the gentleman is an ex-officio member and of which I have the great honor to be chairman. We go into these matters very fully. Let me assure the gentleman that in the 18 years that I have been here, I have never been a party to any such thing as that and I, for one, can assure him that I resent being put in the category of being a conscious party to stealing property of the taxpayers of the United States. I urge the gentleman not to accuse his colleagues on this committee of being a party to a land grab. I am not in that business, and I am sure the gentleman knows that.

Mr. ARENDS. Mr. Speaker, I have no quarrel with the gentleman. He is an outstanding member of our committee—one of the best. I know the gentleman would only do that which he considers right. He always has and always will. It is simply a matter of evaluation of the facts and a matter of judgment as to what should or should not be done on the basis of the facts.

Mr. Speaker, there is another reason for my opposition to this conference report.

We quite frequently hear the term "pork barrel" legislation. It is a term generally applied to a public works bill. I never thought that my Committee on Armed Services, of which I have been so proud, would present to you a bill where that term "pork barrel" might be so appropriately applied.

In the form that the bill passed the House it provided for 35 new armories for the Army National Guard. It contained this provision notwithstanding that the Army National Guard has available almost $18 million for this purpose and the Army Reserve has on hand over $30 million. Why then did our Committee on Armed Services add 35 National Guard armories that the Department of Defense did not recommend? The committee simply decided that it would be politically astute, without anyone mentioning the word politics, if at least some provision were made for the Army National Guard and Army Reserve.

The distinguished gentlemen of the other body were even more politically astute. They added no less than 108 new National Guard armories to be authorized for construction. And what did your conferees do? They agreed that we shall have the 35 armories desired by the House, the added 108 desired by the Senate, for a total of 143 desired by both, and no 1 of them found necessary by the Department of Defense.

And yet only yesterday afternoon when the question of raising the national debt was considered, everyone who rose on the floor of the House talked about inflation in connection with the rise in the national debt. Yet we are asked to appropriate money here for the Department of Defense which the Department of Defense did not even request. It is impossible to understand such procedure.

Regardless of need, regardless of cost, regardless of anything, we thus have before us a national defense bill written not solely for national defense purposes but one to satisfy the people of the Houston, Tex., area by directing the sale of valuable defense property and to satisfy the people of other areas by directing the erection of new installations.

Mr. Speaker, this bill has great merit, but I cannot be a party to using our national defense needs in this manner. I may be the only one to vote against this conference report. I do so that the people I represent may know that I shall never ask them to pay their tax money that some few may make money personally or that some others may make themselves more politically popular.

Mr. ALGER. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman.

Mr. ALGER. Mr. Speaker, as a Texan I am just as interested in anything that has to do with the disposition of installations in Texas as any of my colleagues. I have the greatest respect for the gentleman who is proposing the removal of this Ordnance Depot. But I just want to get some facts straight, because I understand we are operating at a deficit of around $12 billion this year, and I am hardheartedly looking at the facts.

Let me ask the gentleman this question: If we add the cost of the present expenditures at the depot to the cost of a new installation elsewhere to replace it, and subtract the assets from the sale of the present location, would there then be a deficit or would there be money that would have to be taken from the Treasury to make this good?

Mr. ARENDS. The best information that I have, let me say to the able gentleman from Texas, is this. If we sell this installation and move it to another place, acquire another site, and build a similar installation, the cost to Uncle Sam, according to the figures made available to me by the Department of Defense, will be at least $44 million less any proceeds realized from the sale of the present site.

Mr. ALGER. May I say to the gentleman, on that basis, even though I am from Texas and would like to join with those colleagues who think we should move this installation, I am opposed solely on the basis it will cost Uncle Sam. As a former realtor, I believe in the highest and best use of land. But this is also a wrong precedent, it seems to me, because now it would be wrong just to move this installation and sell the land, unless there are other compelling reasons.

Mr. ARENDS. I have no quarrel with any individual of this House, not a single Member, but here we are establishing a precedent which, I repeat, will come back to haunt each and every one of us. If we view this solely in terms of dollars and it could be shown why we should spend $44 million to do something that has to be done, for defense purposes, I would say all right. It behooves us to do everything necessary that we have the best defense possible and, of course, that we get a dollar's worth of defense for each dollar expended.

Mr. VINSON. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I sincerely trust the House will adopt this conference report. It is founded on logic and founded on facts.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. Gross) there were—ayes 97, noes 49.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 256, nays 135, not voting 39, as follows:

[Roll No. 155]

YEAS—256

Abbitt	Garmatz	Norrell
Abernethy	Gary	O'Brien, Ill.
Addonizio	Gathings	O'Brien, N. Y.
Albert	Gavin	O'Hara, Ill.
Alexander	Granahan	O'Neill
Allen, Calif.	Grant	Osmers
Anderson, Mont.	Gray	Passman
	Green, Oreg.	Patman
Andrews	Green, Pa.	Patterson
Anfuso	Griffiths	Pelly
Ashley	Gubser	Perkins
Ashmore	Gwinn	Pfost
Aspinall	Hagen	Philbin
Avery	Haley	Pilcher
Bailey	Hardy	Poage
Baker	Harris	Poff
Baldwin	Harrison, Va.	Polk
Barden	Hays, Ark.	Porter
Baring	Hays, Ohio	Powell
Barrett	Healey	Preston
Bass, Tenn.	Hébert	Price
Baumhart	Hemphill	Prouty
Beckworth	Herlong	Rabaut
Bennett, Fla.	Hess	Rains
Bennett, Mich.	Holifield	Reece, Tenn.
Blatnik	Holland	Reuss
Boggs	Holmes	Rhodes, Ariz.
Boland	Holt	Rhodes, Pa.
Bonner	Holtzman	Riley
Bow	Horan	Rivers
Boykin	Hosmer	Roberts
Boyle	Huddleston	Robeson, Va.
Bray	Ikard	Rodino
Breeding	Jarman	Rogers, Colo.
Brooks, Tex.	Jennings	Rogers, Fla.
Broomfield	Jensen	Rogers, Mass.
Brown, Ga.	Johnson	Rogers, Tex.
Brown, Mo.	Jones, Ala.	Rooney
Broyhill	Jones, Mo.	Roosevelt
Burleson	Karsten	Rutherford
Byrne, Pa.	Kearney	Sadlak
Cannon	Kearns	Santangelo
Celler	Kee	St. George
Chelf	Kelly, N. Y.	Saund
Chenoweth	Keogh	Scott, N. C.
Church	Kilday	Seely-Brown
Clark	Kilgore	Selden
Coad	King	Shelley
Coffin	Kirwan	Sheppard
Cooley	Kitchin	Sikes
Cramer	Kluczynski	Siler
Cretella	Knox	Sisk
Cunningham, Iowa	Knutson	Smith, Miss.
	Landrum	Smith, Va.
Davis, Ga.	Lane	Staggers
Dawson, Ill.	Lankford	Sullivan
Delaney	Lennon	Talle
Dellay	Libonati	Taylor
Dent	McCarthy	Teague, Calif.
Denton	McCormack	Teague, Tex.
Diggs	McDonough	Teller
Dingell	McFall	Thomas
Dollinger	McGovern	Thompson, N. J.
Donohue	McMillan	Thompson, Tex.
Dooley	Macdonald	Thornberry
Dorn, S. C.	Mack, Ill.	Tollefson
Dowdy	Mack, Wash.	Trimble
Doyle	Madden	Tuck
Durham	Magnuson	Udall
Edmondson	Mahon	Ullman
Elliott	Mailliard	Vanik
Engle	Matthews	Vinson
Everett	Merrow	Wainwright
Fallon	Metcalf	Walter
Faberstein	Miller, Calif.	Watts
Fascell	Mills	Whitener
Fino	Mitchell	Whitten
Fisher	Montoya	Wier
Flood	Morgan	Williams, Miss.
Flynt	Morrison	Wilson, Calif.
Fogarty	Moss	Winstead
Forand	Multer	Wright
Forrester	Murray	Yates
Fountain	Natcher	Young
Frazier	Nix	Zablocki
Fulton	Norblad	Zelenko

NAYS—135

Alger	Arends	Bates
Allen, Ill.	Auchincloss	Beamer
Andersen, H. Carl	Ayres	Becker
	Bass, N. H.	Belcher
Berry	Harden	O'Konski
Betts	Harrison, Nebr.	Ostertag
Bolton	Harvey	Pillion
Bosch	Haskell	Quie
Brown, Ohio	Henderson	Ray
Brownson	Heselton	Reed
Budge	Hiestand	Rees, Kans.
Bush	Hill	Riehlman
Byrne, Ill.	Hoeven	Robison, N. Y.
Byrnes, Wis.	Hoffman	Robsion, Ky.
Canfield	Hyde	Saylor
Carrigg	Jackson	Schenck
Cederberg	James	Scherer
Chamberlain	Johansen	Schwengel
Chiperfield	Jonas	Scott, Pa.
Clevenger	Judd	Scrivner
Collier	Kean	Scudder
Corbett	Keating	Sheehan
Coudert	Kruger	Simpson, Ill.
Cunningham, Nebr.	Lafore	Simpson, Pa.
	Laird	Smith, Calif.
Curtin	Latham	Springer
Curtis, Mass.	LeCompte	Stauffer
Curtis, Mo.	Lipscomb	Taber
Dague	McCulloch	Tewes
Dawson, Utah	McGregor	Thomson, Wyo.
Dennison	McIntosh	Utt
Derounian	McVey	Van Pelt
Devereux	Marshall	Van Zandt
Dixon	Martin	Vorys
Dorn, N. Y.	May	Vursell
Dwyer	Meader	Weaver
Feighan	Miller, Md.	Westland
Fenton	Miller, Nebr.	Wharton
Ford	Miller, N. Y.	Widnall
Frelinghuysen	Minshall	Wigglesworth
George	Moore	Williams, N. Y.
Glenn	Morano	Wilson, Ind.
Griffin	Mumma	Withrow
Gross	Nicholson	Wolverton
Hale	Nimtz	Younger
Halleck	O'Hara, Minn.	

NOT VOTING—39

Adair	Eberharter	Mason
Bentley	Evins	Michel
Blitch	Friedel	Morris
Bolling	Gordon	Moulder
Brooks, La.	Gregory	Neal
Buckley	Hillings	Radwan
Burdick	Hull	Shuford
Byrd	Jenkins	Sieminski
Carnahan	Kilburn	Smith, Kans.
Christopher	Lesinski	Spence
Colmer	Loser	Steed
Davis, Tenn.	McIntire	Thompson, La.
Dies	Machrowicz	Willis

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Friedel for, with Mr. Jenkins against.

Mr. Buckley for, with Mr. Radwan against.

Mr. Eberharter for, with Mr. Mason against.

Mr. Machrowicz for, with Mr. Kilburn against.

Mr. Brooks of Louisiana for, with Mr. Hillings against.

Mr. Thompson of Louisiana for, with Mr. Burdick against.

Until further notice:

Mr. Bolling with Mr. Adair.

Mr. Hull with Mr. Bentley.

Mr. Loser with Mr. McIntire.

Mr. Moulder with Mr. Michel.

Mr. Carnahan with Mr. Neal.

Mr. Colmer with Mr. Smith of Kansas.

Mrs. HARDEN, Mr. BECKER, and Mr. UTT changed their votes from "aye" to "nay."

Messrs. SILER, JENSEN, HORAN, PATTERSON, DOOLEY, and CRETELLA changed their votes from "nay" to "aye."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

INCREASE IN PUBLIC DEBT LIMIT

The SPEAKER. The unfinished business is the question on the passage of the bill H. R. 13580, to increase the public debt limit. On yesterday, the yeas and nays were ordered.

The question was taken; and there were—yeas 286, nays 108, not voting 36, as follows:

[Roll No. 156]

YEAS—286

Addonizio	Fisher	Morgan
Albert	Flood	Morrison
Alger	Fogarty	Moss
Allen, Calif.	Forand	Multer
Allen, Ill.	Ford	Mumma
Andersen, H. Carl	Frazier	Murray
	Frelinghuysen	Natcher
Anderson, Mont.	Fulton	Nix
	Garmatz	Norblad
Anfuso	Gary	Norrell
Arends	Gathings	O'Brien, Ill.
Ashley	Gavin	O'Brien, N. Y.
Aspinall	George	O'Hara, Ill.
Auchincloss	Glenn	O'Neill
Avery	Granahan	Osmers
Ayres	Gray	Ostertag
Bailey	Green, Oreg.	Patman
Baker	Green, Pa.	Patterson
Baldwin	Griffin	Perkins
Barrett	Gubser	Pfost
Bass, N. H.	Hagen	Philbin
Bass, Tenn.	Hale	Pilcher
Bates	Halleck	Poage
Becker	Hardy	Polk
Beckworth	Harris	Porter
Belcher	Harrison, Va.	Powell
Bennett, Fla.	Haskell	Preston
Bennett, Mich.	Hays, Ark.	Price
Blatnik	Hays, Ohio	Prouty
Boggs	Healey	Quie
Boland	Hébert	Rabaut
Bolton	Herlong	Rains
Bosch	Heselton	Ray
Boykin	Hess	Reece, Tenn.
Boyle	Hill	Reed
Breeding	Holifield	Rees, Kans.
Brooks, Tex.	Holland	Reuss
Brown, Ga.	Holmes	Rhodes, Ariz.
Brown, Mo.	Holtzman	Rhodes, Pa.
Brown, Ohio	Horan	Riehlman
Broyhill	Hosmer	Riley
Burleson	Huddleston	Rivers
Bush	Hyde	Roberts
Byrd	Ikard	Rodino
Byrne, Pa.	Jackson	Rogers, Colo.
Byrnes, Wis.	James	Rogers, Mass.
Canfield	Jarman	Rooney
Carrigg	Jennings	Roosevelt
Celler	Johnson	Sadlak
Chamberlain	Jones, Ala.	Santangelo
Chelf	Judd	Saund
Chenoweth	Karsten	Saylor
Chiperfield	Kean	Schenck
Clark	Kearney	Scott, Pa.
Clevenger	Keating	Scrivner
Coad	Kee	Scudder
Coffin	Kelly, N. Y.	Seely-Brown
Cooley	Keogh	Shelley
Corbett	Kilday	Sheppard
Cretelia	King	Siler
Cunningham, Iowa	Kirwan	Simpson, Pa.
	Kluczynski	Sisk
Curtin	Knutson	Smith, Miss.
Curtis, Mass.	Lafore	Smith, Va.
Curtis, Mo.	Lane	Staggers
Dague	Lankford	Steed
Dawson, Ill.	Latham	Sullivan
Dawson, Utah	LeCompte	Taber
Delaney	Libonati	Talle
Dellay	McCarthy	Taylor
Dennison	McCormack	Teague, Calif.
Dent	McCulloch	Teller
Denton	McFall	Tewes
Derounian	McGovern	Thomas
Devereux	McIntosh	Thompson, N. J.
Diggs	Mack, Ill.	Thompson, Tex.
Dingell	Madden	Thomson, Wyo.
Dixon	Magnuson	Thornberry
Dollinger	Mahon	Trimble
Donohue	Mailliard	Udall
Dooley	Marshall	Ullman
Dorn, N. Y.	Martin	Vanik
Doyle	May	Van Zandt
Durham	Meader	Vinson
Dwyer	Merrow	Vorys
Edmondson	Metcalf	Vursell
Elliott	Miller, Calif.	Wainwright
Engle	Miller, Md.	Walter
Everett	Mills	Watts
Fallon	Minshall	Westland
Farbstein	Mitchell	Whitten
Fascell	Montoya	Widnall
Feighan	Moore	Wier
Fenton	Morano	Wigglesworth

Wilson, Calif.	Young	Zablocki
Wolverton	Younger	Zelenko
Yates		

NAYS—108

Abbitt	Halcy	Pillion
Abernethy	Harden	Poff
Alexander	Harrison, Nebr.	Robeson, Va.
Andrews	Harvey	Robison, N. Y.
Ashmore	Hemphill	Robsion, Ky.
Barden	Henderson	Rogers, Fla.
Baring	Hiestand	Rogers, Tex.
Baumhart	Hoeven	Rutherford
Beamer	Hoffman	St. George
Berry	Holt	Scherer
Betts	Jensen	Schwengel
Blitch	Johansen	Scott, N. C.
Bonner	Jonas	Selden
Bow	Jones, Mo.	Sheehan
Bray	Kearns	Sikes
Broomfield	Kilgore	Simpson, Ill.
Brownson	Kitchin	Smith, Calif.
Budge	Knox	Springer
Byrne, Ill.	Kruger	Stauffer
Cannon	Laird	Teague, Tex.
Cederberg	Landrum	Thompson, La.
Church	Lennon	Tollefson
Collier	Lipscomb	Tuck
Cramer	McDonough	Utt
Cunningham, Nebr.	McGregor	Van Pelt
	McVey	Weaver
Davis, Ga.	Macdonald	Wharton
Dorn, S. C.	Mack, Wash.	Whitener
Dowdy	Matthews	Williams, Miss.
Fino	Miller, Nebr.	Williams, N. Y.
Flynt	Miller, N. Y.	Willis
Forrester	Nicholson	Wilson, Ind.
Fountain	Nimtz	Winstead
Grant	O'Hara, Minn.	Withrow
Griffiths	O'Konski	Wright
Gross	Passman	
Gwinn	Pelly	

NOT VOTING—36

Adair	Eberharter	McMillan
Bentley	Evins	Machrowicz
Bolling	Friedel	Mason
Brooks, La.	Gordon	Michel
Buckley	Gregory	Morris
Burdick	Hillings	Moulder
Carnahan	Hull	Neal
Christopher	Jenkins	Radwan
Colmer	Kilburn	Shuford
Coudert	Lesinski	Sieminski
Davis, Tenn.	Loser	Smith, Kans.
Dies	McIntire	Spence

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Friedel for, with Mr. Colmer against.

Mr. Buckley for, with Mr. Mason against.

Mr. Eberharter for, with Mr. Moulder against.

Mr. Machrowicz for, with Mr. Dies against.

Mr. Kilburn for, with Mr. Burdick against.

Until further notice:

Mr. Bolling with Mr. Adair.

Mr. Brooks of Louisiana with Mr. Neal.

Mr. Lesinski with Mr. Jenkins.

Mr. Carnahan with Mr. Bentley.

Mr. Christopher with Mr. Hillings.

Mr. Evins with Mr. Coudert.

Mr. Loser with Mr. McIntire.

Mr. Sieminski with Mr. Radwan.

Mr. Hull with Mr. Smith of Kansas.

Mr. Gordon with Mr. Michel.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AGRICULTURAL ACT OF 1958

The SPEAKER. The unfinished business is the suspension of the rules and the passage of the bill (S. 4071) to provide more effective price, production adjustment, and marketing programs for various agricultural commodities.

The Clerk read the title of the bill.

The SPEAKER. The question is on suspending the rules and passing the bill.

Mr. MARTIN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 210, nays 186, not voting 34, as follows:

[Roll No. 157]

YEAS—210

Abbitt	Gathings	O'Hara, Ill.
Abernethy	George	O'Hara, Minn.
Albert	Granahan	O'Neill
Alexander	Grant	Passman
Anderson, Mont.	Gray	Patman
	Green, Pa.	Perkins
Andrews	Griffiths	Pfost
Anfuso	Gross	Philbin
Ashmore	Hagen	Pilcher
Aspinall	Hale	Poage
Avery	Hardy	Polk
Bailey	Harris	Porter
Baker	Harrison, Va.	Preston
Baldwin	Harvey	Price
Barden	Hays, Ark.	Quie
Baring	Hays, Ohio	Rabaut
Barrett	Healey	Rains
Bass, Tenn.	Hébert	Reuss
Beckworth	Hemphill	Riley
Belcher	Hill	Rivers
Bennett, Fla.	Hoeven	Roberts
Bennett, Mich.	Holland	Robeson, Va.
Berry	Holmes	Rogers, Colo.
Blitch	Horan	Rogers, Tex.
Boggs	Huddleston	Rooney
Bonner	Ikard	Roosevelt
Boykin	Jarman	Rutherford
Boyle	Jennings	Sadlak
Bray	Jensen	Santangelo
Breeding	Jonas	Saund
Brooks, Tex.	Jones, Ala.	Scott, N. C.
Brown, Ga.	Jones, Mo.	Seely-Brown
Budge	Karsten	Selden
Burleson	Kee	Shelley
Byrd	Keogh	Sheppard
Byrne, Pa.	Kilday	Sieminski
Celler	Kilgore	Sikes
Chelf	King	Simpson, Ill.
Chenoweth	Kitchin	Sisk
Coad	Kluczynski	Smith, Miss.
Coffin	Knox	Smith, Va.
Cooley	Kruger	Springer
Cunningham, Nebr.	Landrum	Steed
	Lane	Sullivan
Davis, Ga.	LeCompte	Teague, Calif.
Dawson, Ill.	Lennon	Teague, Tex.
Dawson, Utah	Libonati	Teller
Delaney	McCormack	Thomas
Dent	McFall	Thompson, La.
Denton	McGovern	Thompson, Tex.
Diggs	McMillan	Thomson, Wyo.
Dingell	Mack, Ill.	Thornberry
Dixon	Madden	Trimble
Dollinger	Magnuson	Tuck
Donohue	Mahon	Ullman
Dorn, S. C.	Matthews	Van Pelt
Dowdy	Metcalf	Vinson
Doyle	Miller, Calif.	Watts
Durham	Miller, Nebr.	Weaver
Edmondson	Mills	Whitener
Elliott	Mitchell	Whitten
Engle	Montoya	Wier
Everett	Morgan	Williams, Miss.
Fascell	Morrison	Willis
Fisher	Moss	Wilson, Ind.
Flood	Multer	Winstead
Flynt	Murray	Withrow
Forrester	Natcher	Wright
Fountain	Nix	Young
Frazier	Norrell	Zelenko
Gary	O'Brien, Ill.	

NAYS—186

Addonizio	Bush	Devereux
Alger	Byrne, Ill.	Dooley
Allen, Calif.	Byrnes, Wis.	Dorn, N. Y.
Allen, Ill.	Canfield	Dwyer
Andersen, H. Carl	Cannon	Fallon
	Carrigg	Farbstein
Arends	Cederberg	Feighan
Ashley	Chamberlain	Fenton
Auchincloss	Chiperfield	Fino
Ayres	Church	Fogarty
Bass, N. H.	Clark	Forand
Bates	Clevenger	Ford
Baumhart	Collier	Frelinghuysen
Beamer	Corbett	Fulton
Becker	Coudert	Garmatz
Betts	Cramer	Gavin
Blatnik	Cretella	Glenn
Boland	Cunningham, Iowa	Green, Oreg.
Bolton		Griffin
Bosch	Curtin	Gubser
Bow	Curtis, Mass.	Gwinn
Broomfield	Curtis, Mo.	Haley
Brown, Mo.	Dague	Halleck
Brown, Ohio	Delaney	Harden
Brownson	Dennison	Harrison, Nebr.
Broyhill	Derounian	Haskell
Henderson	Martin	Schenck
Herlong	May	Scherer
Heselton	Meader	Schwengel
Hess	Merrow	Scott, Pa.
Hiestand	Miller, Md.	Scrivner
Hoffman	Miller, N. Y.	Scudder
Holifield	Minshall	Sheehan
Holt	Moore	Siler
Holtzman	Morano	Simpson, Pa.
Hosmer	Mumma	Smith, Calif.
Hyde	Nicholson	Staggers
Jackson	Nimtz	Stauffer
James	Norblad	Taber
Johansen	O'Brien, N. Y.	Talle
Johnson	O'Konski	Taylor
Judd	Osmers	Tewes
Kean	Ostertag	Thompson, N. J.
Kearney	Patterson	Tollefson
Kearns	Pelly	Udall
Keating	Pillion	Utt
Kelly, N. Y.	Poff	Vanik
Knutson	Powell	Van Zandt
Lafore	Prouty	Vorys
Laird	Ray	Vursell
Lankford	Reece, Tenn.	Wainwright
Latham	Reed	Walter
Lipscomb	Rees, Kans.	Westland
McCarthy	Rhodes, Ariz.	Wharton
McCulloch	Rhodes, Pa.	Widnall
McDonough	Riehlman	Wigglesworth
McGregor	Robison, N. Y.	Williams, N. Y.
McIntosh	Robsion, Ky.	Wilson, Calif.
McVey	Rodino	Wolverton
Macdonald	Rogers, Fla.	Yates
Mack, Wash.	Rogers, Mass.	Younger
Mailliard	St. George	Zablocki
Marshall	Saylor	

NOT VOTING—34

Adair	Evins	Machrowicz
Bentley	Friedel	Mason
Bolling	Gordon	Michel
Brooks, La.	Gregory	Morris
Buckley	Hillings	Moulder
Burdick	Hull	Neal
Carnahan	Jenkins	Radwan
Christopher	Kilburn	Shuford
Colmer	Kirwan	Smith, Kans.
Davis, Tenn.	Lesinski	Spence
Dies	Loser	
Eberharter	McIntire	

So, two-thirds not having voted in favor thereof, the motion to suspend the rules and pass the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Moulder and Mr. Buckley for, with Mr. Hull against.

Mr. Eberharter and Mr. Machrowicz for, with Mr. Radwan against.

Mr. Bentley and Mr. Colmer for, with Mr. Mason against.

Mr. Brooks of Louisiana and Loser for, with Mr. Friedel against.

Mr. Lesinski and Mr. Morris for, with Mr. Kilburn against.

Mr. Evins and Mr. Burdick for, with Mr. Hillings against.

Mr. McIntire and Mr. Gordon for, with Mr. Jenkins against.

Until further notice:

Mr. Bolling with Mr. Adair.

Mr. Carnahan with Mr. Neal.

Mr. Christopher with Mr. Smith of Kansas.

Mr. Dies with Mr. Michel.

Mrs. ROGERS of Massachusetts changed her vote from "yea" to "nay."

Mr. DELLAY changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

PROVIDING IMPROVED METHODS OF STATING BUDGET ESTIMATES AND ESTIMATES FOR DEFICIENCY AND SUPPLEMENTAL APPROPRIATIONS

Mr. O'NEILL, from the Committee on Rules, reported the following privileged resolution (H. Res. 674, Rept. No. 2480), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution, the bill (H. R. 8002), with the Senate amendments thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendments be, and the same are hereby, agreed to.

QUALITY REGULATION OF IMPORTED AGRICULTURAL COMMODITIES

The SPEAKER. The unfinished business is the question on the motion to suspend the rules and pass the bill (H. R. 11056) to amend section 8e of the Agricultural Adjustment Act of 1933, as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is, Will the House suspend the rules and pass the bill?

The question was taken, and the Chair being in doubt, on a division there were—ayes 136, noes 109.

So (two-thirds not having voted in favor thereof) the motion was rejected.

STRENGTHENING THE NATIONAL DEFENSE

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 675, Rept. No. 2480), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of (H. R. 13247) to strengthen the national defense and to encourage and assist in the expansion and improvement of educational programs to meet critical national needs; and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CONTESTED ELECTION CASE OF JAMES C. OLIVER AGAINST ROBERT HALE, FIRST CONGRESSIONAL DISTRICT, MAINE

Mr. ASHMORE, from the Committee on House Administration, reported the following privileged resolution (H. Res. 676, Rept. No. 2482), which was referred to the House Calendar and ordered to be printed:

Resolved, That Robert Hale was duly elected as Representative from the First Congressional District of the State of Maine in the 85th Congress and is entitled to his seat.

WELFARE AND PENSION PLANS DISCLOSURE ACT

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 657 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 13507) to provide for reporting and disclosure of employee welfare and pension benefit plans. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

(Mr. MADDEN asked and was given permission to revise and extend his remarks.)

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. LATHAM] and yield myself such time as I may use.

The SPEAKER. The gentleman from Indiana is recognized.

Mr. MADDEN. Mr. Speaker, the pending Resolution 657 calls up for consideration H. R. 13507 which provides for reporting and disclosure of employee welfare and pension benefits plans. The resolution provides for an open rule and 2 hours general debate.

I wish to commend the chairman and members of the Education and Labor Committee for reporting this legislation so that it can be considered by the House during this session of Congress. Unfortunately, a relatively small number of so-called labor leaders have been either negligent or dishonest with their membership by dissipating, misappropriating, or through unsound investments jeopardize the funds which are established for the purpose of protecting the future welfare and security of their organization's membership.

The objective of this bill is to guarantee the participants and their beneficiaries of the millions of workers and their families who have a partial interest in ownership in moneys of this nature. It is estimated that almost 80 million persons are relying on private benefit plans and approximately $30 billion is invested therein. The subcommittee and the full Committee on Education and Labor has given considerable thought and study to this important problem for several years. The committee believes that periodical filing of sworn affidavits concerning the amounts, investments, and all essential facts concerning welfare funds will serve as a preventive against dishonesty and misappropriations of these funds by the administrators charged with their care. The participants and beneficiaries of these funds, if they are familiar and acquainted with the true status of the administration thereof will be sufficient protection to keep these funds intact and solvent for the purposes for which they are originally intended.

This bill will place the least possible burden by way of cost and operation upon the Nation's taxpayer in general. This bill does not provide punitive regulations but the committee after long study feels that exposure of facts and reporting statistics on pension funds will be a practical method of enforcement. Each State and local community through the Attorney General and county prosecutors can prosecute for any misappropriation or criminal violations because of dishonest administrators who are responsible to employees for the care and custody of welfare and pension funds.

The bill also provides that the description, facts, and data of any employee welfare or pension benefits plan shall be published within 90 days of the effective date of this act or within 90 days after the establishment of such plan whichever is later. The bill also provides that the pension, welfare operations plans shall be published, signed and sworn to by the person or the persons defined as the administrator and also includes names and addresses of all persons directly or indirectly connected with the administration of these funds. In addition, the bill outlines all other facts and essential information to which the membership of these various pension plans are entitled to know.

Judging from the exposures revealed from congressional investigations, corruption, dishonesty, and deceit in the operation of welfare and pension funds was committed because the vast membership had no knowledge or method of securing information regarding the true facts, status, and operations connected with the administration of these vast sums of moneys entrusted to officers of certain unions. No doubt, it will be contended by certain Members during this debate that additional restrictive and regulatory legislation should be enacted at this time involving exposures from congressional committees investigations of labor management relations. It is not the purpose of this bill to go into the extended scope of all labor management relations because of the weeks and months of hearings and other preparations involved in this long and complex undertaking. I do hope that the Members debate this legislation with sincerity and commonsense. As a former member of the Labor and Education Committee 10 years ago I was sorry at that time to hear Members denounce organized labor in general terms and we have regretted some of our mistakes on numerous occasions since the Taft-Hartley law was enacted. We have had unfortunate bitterness, strikes, and labor difficulties since that law was passed. I hope the Members remember that Communist agitators seek first to control labor and second, our schools. With the exception of a few out of approximately 50,000 labor officials we can thank labor leaders in America for defeating Communist infiltration into American labor. I do think this Congress before adjournment should favorably enact the pending legislation so that working men and women throughout the Nation can have the mental satisfaction to know the future security for them and their families will be guaranteed by the enacting of legislation which will prevent any dis-

85TH CONGRESS
2D SESSION

H. R. 13580

IN THE SENATE OF THE UNITED STATES

AUGUST 6, 1958

Read twice and referred to the Committee on Finance

AN ACT

To increase the public debt limit.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 21 of the Second Liberty Bond Act, as amended (31 U. S. C., sec. 757b), is amended to read as follows:

"SEC. 21. The face amount of obligations issued under authority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate $285,000,000,000 outstanding at any one time. The current redemption value of any obligation issued on a discount basis

which is redeemable prior to maturity at the option of the holder thereof shall be considered, for the purposes of this section, to be the face amount of such obligation."

SEC. 2. During the period beginning on the date of the enactment of this Act and ending on June 30, 1960, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended by the first section of this Act, shall be temporarily increased by $3,000,000,000.

SEC. 3. The Act entitled "An Act to provide for a temporary increase in the public debt limit", approved February 26, 1958 (Public Law 85–336; 72 Stat. 27), is hereby repealed.

Passed the House of Representatives August 6, 1958.

Attest: RALPH R. ROBERTS,

Clerk.

85TH CONGRESS
2D SESSION

H. R. 13580

AN ACT

To increase the public debt limit.

AUGUST 6, 1958

Read twice and referred to the Committee on Finance

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 18, 1958
For actions of Aug. 15 and 16, 1958
85th-2d, Nos. 141 and 142

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HIGHLIGHTS: Senate passed supplemental appropriation bill. Senate conferees were appointed on farm bill. House passed area redevelopment bill. House agreed to conference report on bill prohibiting onion futures trading. House committee reported bill to require State contributions to disaster relief. Senate committee rejected dairy export bill. Senate committee reported debt-limit increase bill.

SENATE - August 15

1. SUPPLEMENTAL APPROPRIATION BILL, 1959. Passed with amendments this bill, H. R. 13450. pp. 16305-11, 16431-54, 16457-73 (See Digest 140 for USDA items.)

Agreed to an amendment by Sen. Neuberger (for himself and others) to add an item of $100,000, to remain available until expended, for the Outdoor Recreation Review Commission. pp. 16442-3

Sen. Cooper inserted his statement favoring the emergency conservation measures program. pp. 16469-60

Sen. Mundt inserted the committee's statement on reduction of personnel, and he and Sen. Dworshak commended the statement. pp. 16470-3

2. FARM PROGRAM. Sens. Ellender, Johnston, Eastland, Humphrey, Aiken, Young, and Thye were appointed conferees on S. 4071, the farm bill. The text of the bill, as passed by the House, was printed in the Record. pp. 16314-17

3. DAIRY EXPORTS. The Agriculture and Forestry Committee voted to disapprove S. 4013, to provide for an export program for dairy products. p. D857

4. WATERSHED PROJECTS. The Agriculture and Forestry Committee approved the following watershed projects: Busseron Creek, Ind.; Crooked Creek, Iowa; and Furnace Brook-Middle River, Conn. and Mass. p. D857

5. FOOD ADDITIVES. The Labor and Public Welfare Committee ordered reported with amendments H. R. 13254, to regulate food additives. p. D857

6. DEBT LIMIT. The Finance Committee reported with amendments H. R. 13580, to increase the debt limit. As reported, the bill would (1) set the permanent limit at $283 billion and (2) set the temporary limit at $288 billion until June 30, 1959, at which time it would revert to the permanent limit. (S. Rept. 2389) p. 16263

Sen. Symington recommended that the Treasury announce its long-term borrowing programs and that public needs have a higher priority than economy in expenditures. p. 16281

7. FORESTRY; LAND UTILIZATION. The Agriculture and Forestry Committee reported without amendment H. R. 8481, to extend title IV of the Agricultural Act of 1956, relating to forestry, to Hawaii (S. Rept. 2415), and H. R. 12494, to authorize this Department, in selling or agreeing to the sale of lands to N. C., to permit the State to sell or exchange such lands for private purposes (S. Rept. 2416). pp. 16263-4

8. RIVER BASINS. Passed without amendment S. 4266, to establish the U. S. Study Commission on the Neches, Trinity, Brazos, Colorado, Guadalupe-San Antonio, Nueces, and San Jacinto River Basins and intervening areas. pp. 16284-6,16262

Passed as reported S. 4192, to authorize modification of the comprehensive plan of improvement for the Trinity River basin, Tex. pp. 16286-7

9. RECLAMATION. Passed as reported S. 3648, to authorize construction and operation of the Navaho Indian irrigation project. pp. 16287-91

Passed as reported S. 1887, to authorize construction of the San Luis Unit of the Central Valley project, Calif. pp. 16291-303

10. TAXES. Agreed to the conference reports on H. R. 7125 and H. R. 8381, to make technical changes in the tax laws. The House agreed to the report on H. R. 8381. These bills will now be sent to the President. pp. 16322, 16311-3

11. SOCIAL SECURITY. Began debate on H. R. 13549, to increase the benefits under the Social Security Act. pp. 16473-83

Calendar No. 2454

85TH CONGRESS
2d Session

SENATE

REPORT
No. 2389

PUBLIC DEBT LIMIT INCREASE

AUGUST 15 (legislative day, AUGUST 14), 1958.—Ordered to be printed

Mr. BYRD, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 13580]

The Committee on Finance, to whom was referred the bill (H. R. 13580) to increase the public debt limit, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

SUMMARY

Section 21 of the Second Liberty Bond Act, as amended, provides a permanent limit of $275 billion on the amount of public debt securities which may be outstanding at any one time. In passing H. R. 9955 (Public Law 85–336) in January of this year, the Congress provided that this limit would be increased to $280 billion for the period ending June 30, 1959, after which time the debt limit will revert to the permanent $275 billion.

The bill provides that the existing permanent debt limit be raised from $275 billion to $283 billion. The temporary increase under present law of $5 billion continues through June 30, 1959. Thus, the overall debt limit will be the $288 billion which the Secretary of the Treasury requested but $5 billion of this will be temporary as provided by existing law.

GENERAL STATEMENT

The action taken by the Congress in January was designed to provide the Treasury with a prudent margin in debt capacity to provide adequate cash balances in the face of irregular tax receipts during the year and to provide an extra borrowing authority for more flexible debt management. At the time of this action in January, it was estimated by the administration that the budgets for the fiscal years 1958 and 1959 would be approximately in balance. The recession which began in the latter part of 1957 cut deeply into expected revenues and also required the adoption of additional expenditure programs. Further increases in expenditure programs were made

necessary by the expanding defense requirements of the missile age. The Secretary of the Treasury evaluated this changed situation before the committee in the following terms:

> Instead of a budget deficit of $388 million for the year ended June 30, we incurred a deficit of $2.8 billion. This deficit was brought about because our net revenues amounted to $69.1 billion, against the January estimates of $72.4 billion.
>
> Instead of entering the current fiscal year ending June 30, 1959, with an anticipated budget surplus of $466 million, we are now faced with an estimated budget deficit of about $12 billion. This amount is based on estimates of $79 billion for expenditures and $67 billion for receipts. In giving these estimates we recognize the difficulty of making predictions this far ahead. They are our best estimates, and as such, provide a reasonable approach to consideration of the debt limit.
>
> This substantial change in the outlook of our fiscal situation for the current year makes it imperative that we again review the statutory debt limit. We can no longer operate with a $5 billion temporary extension of the $275 billion limit because we cannot look forward to a debt of $275 billion or less on June 30, 1959. The estimated deficit will result in the public debt outstanding on June 30, 1959, of nearly $285 billion. It is estimated that our cash working balance will amount to between $4 billion and $5 billion on that date.

The public debt of the United States, subject to the debt limitation, stood at $276 billion on June 30, 1958. This, plus the prospective $12 billion deficit for the fiscal year 1959, supports the request for a debt limit of $288 billion.

On June 30, 1958, an extra margin was provided by the fact that the cash working balance of the Treasury (balances in the Federal Reserve banks and in the Treasury tax and loan accounts in commercial banks) were about $4 billion or $5 billion higher than usual due the high concentration of tax revenues in June. This margin will be required, however, during the fiscal year 1959 to deal with the fact that a significant portion of the year's tax collections will not be realized until the closing months of the fiscal year. A detailed analysis of the expected operating balance of the Treasury and the level of the public debt for the fiscal year 1959 is contained in table 1, which indicates that the proposed debt ceiling of $288 billion will provide only a minimum operating margin under the present expectation for revenues and expenditures.

The problem of the debt limit emerges, of course, because the Congress has committed itself to various expenditure programs in the face of sharply declining tax revenues. The principal reason for lower revenues is the sharp drop in corporate profits before taxes. There were $43.4 billion for the calendar year 1957 and dropped to $31.7 billion for the first quarter of 1958.

The Director of the Budget estimated that expenditures in fiscal year 1959 would be approximately $5 billion above those estimated in the January budget. The major components of this increase are as follows:

	Millions
(1) Defense (in addition to the $500 million for contingencies included in the budget)	$500–$700
(2) Pay raises (outside of the Department of Defense and in addition to amounts included in the budget)	400
(3) Agriculture (large wheat crop and expanded export programs)	1, 500
(4) Housing (increased purchases by FNMA and increased direct veterans' loans)	1, 000
(5) Unemployment benefits (temporary supplemental unemployment benefits plus increase in original estimate for regular programs)	600
(6) Other programs (civil-service retirement fund, lower postal rates than requested, additional public works, etc.)	1, 500
(7) Reductions (principally saving on public debt interest)	500

There are, in addition, other programs presently under active consideration by the Congress, such as the community facilities bill, which would add considerably to the expenditures for fiscal year 1959.

As for the future, some of the expenditure programs undertaken for fiscal year 1959 that were directly related to the recession may be reduced. On the other hand, there is clearly in prospect increased expenditures by the Defense Department as deliveries are made under the expanded missiles program. On balance, present evidence makes clear that Federal expenditures over the next 5 years will average very close to $80 billion a year as a minimum. It will be imperative for the Congress to give serious attention to the financing problems created by these commitments. We hope, of course, that a rapid recovery from the present recession will increase the yield of our existing tax rates substantially over the $67 billion anticipated for fiscal year 1959. It can be seen that a substantial increase in revenue must be achieved if we are not to have a succession of higher deficits which will make necessary higher debt limits under this program of spending $80 billion a year.

The following table shows the estimated leeway under the proposed $288 billion limit.

Estimated leeway under proposed $288 billion statutory debt limit

[In billions]

Fiscal year 1959	Proposed $288 billion statutory debt limit	Estimated debt outstanding (subject to limit)	Leeway under $288 billion debt limit		
			Unused borrowing authority	Estimated operating cash balance	Total
Aug. 15	$288	$277.8	$10.2	$5.2	$15.4
Aug. 31	288	278.5	9.5	5.6	15.1
Sept. 15	288	276.3	11.7	2.2	13.9
Sept. 30	288	276.1	11.9	4.0	15.9
Oct. 15	288	280.2	7.8	5.5	13.3
Oct. 31	288	279.9	8.1	4.1	12.2
Nov. 15	288	279.6	8.4	3.0	11.4
Nov. 30	288	279.7	8.3	2.8	11.1
Dec. 15	288	282.0	6.0	2.9	8.9
Dec. 31	288	281.9	6.1	3.9	10.0
Jan. 15, 1959	288	285.1	3.4	5.7	9.1
Jan. 31	288	284.9	3.1	5.5	8.6
Feb. 15	288	283.7	4.3	3.4	7.7
Feb. 28	288	284.1	3.9	4.6	8.5
Mar. 15	288	283.7	4.3	2.8	7.1
Mar. 31	288	280.5	7.5	2.9	10.4
Apr. 15	288	283.7	4.3	4.2	8.5
Apr. 30	288	283.6	4.4	3.0	7.4
May 15	288	284.8	3.2	3.8	7.0
May 31	288	285.8	2.2	4.5	6.7
June 15	288	285.5	2.5	2.2	4.7
June 30	288	283.3	4.7	4.2	8.9

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 21 OF THE SECOND LIBERTY BOND ACT, AS AMENDED

(31 U. S. C., sec. 757b)

SEC. 21. The face amount of obligations issued under authority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate [$275,000,000,000] *$288,000,000,000* outstanding at any one time. The current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder thereof shall be considered, for the purposes of this section, to be the face amount of such obligation.

○

Calendar No. 2454

85TH CONGRESS
2D SESSION

H. R. 13580

[Report No. 2389]

IN THE SENATE OF THE UNITED STATES

AUGUST 6, 1958
Read twice and referred to the Committee on Finance

AUGUST 15 (legislative day, AUGUST 14), 1958
Reported by Mr. BYRD, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

To increase the public debt limit.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 21 of the Second Liberty Bond Act, as amended (31 U. S. C., sec. 757b), is amended to read as follows:

"SEC. 21. The face amount of obligations issued under authority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate ~~$285,000,000,000~~ *$283,000,000,000* outstanding at any one time. The current redemption value of any obligation

issued on a discount basis which is redeemable prior to maturity at the option of the holder thereof shall be considered, for the purposes of this section, to be the face amount of such obligation."

~~SEC. 2. During the period beginning on the date of the enactment of this Act and ending on June 30, 1960, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended by the first section of this Act, shall be temporarily increased by $3,000,000,000.~~

~~SEC. 3. The Act entitled "An Act to provide for a temporary increase in the public debt limit", approved February 26, 1958 (Public Law 85-336; 72 Stat. 27), is hereby repealed.~~

Passed the House of Representatives August 6, 1958.

Attest: RALPH R. ROBERTS,

Clerk.

Calendar No. 2454

85TH CONGRESS
2D SESSION

H. R. 13580

[Report No. 2389]

AN ACT

To increase the public debt limit.

AUGUST 6, 1958
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Reported with amendments

elimination of the Senate limitation of 300 rural redevelopment counties, of the appointment of local redevelopment committees, and of the specific employment of private firms for technical assistance; and (e) minor changes in the urban renewal part of the program."

13. FARM PROGRAM. Sen. Proxmire stated that the April 1 reduction in dairy price supports cost Wis. dairymen $8\frac{1}{2}$ million in the past 4 months, and that at the same time consumers had not benefited, and alleged that the Administration's policies were aiding only the middleman. He inserted a table showing the increase in USDA expenditures since 1953, and quoted from a 1952 speech by the President as a basis for contending that the Secretary was following a contrary policy. pp. 17534-6

Sen. Martin, Iowa, spoke on "Fifty Facts For Farmers," citing various statistics and information to show that trends in agriculture were favorable. pp. 17614-6

14. EDUCATION. Agreed, 66 to 15, to the conference report on H. R. 13247, the national defense education bill. pp. 17577-87

Sen. Neuberger inserted an article on the national defense education bill, H. R. 13247. p. 17753

15. PUBLIC DEBT. Passed as reported, 57 to 20, H. R. 13580, to increase the public debt limit to $288 billion through fiscal year 1959, and $283 billion thereafter. pp. 17629-30, 17725, 17729-49, 17753-4

16. PERSONNEL. Concurred in the House amendments to S. 1903, to provide that Presidential appointees who serve specific terms of more than 2 years overseas shall be entitled to travel expenses, the same as other Federal employees, when they return to their place of residence at the end of their tour of duty. p. 17590

Sen. Allott commended Federal employees who "under handicaps of more work with fewer people, are doing so well in the field of public service," and cited the Federal Housing Administration office in Colo. as an example. p. 17540

17. FOREIGN AID. Senate began debate on H. R. 13192, the mutual security appropriation bill for 1959. The committee amendments were adopted. pp. 17747-50

Sen. Watkins submitted an amendment to be proposed to H.R. 13192, the mutual security appropriation bill for 1959, to add $2.5 million to the bill and allow the President to use such funds to alleviate economic hardships overseas caused by the application of the application of the escape clause provision of the Trade Agreements Act. p. 17515

18. SURPLUS COMMODITIES; FOREIGN TRADE. Sens. Schoeppel urged enactment of legislation to extend Public Law 480 so as to aid in sales of surplus farm commodities. pp. 17529-30

19. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 13856, the independent offices appropriation bill for 1959 (S. Rept. 2495). p. 17754

Sens. Bridges and Williams submitted an amendment to be proposed to H. R. 13856, the independent offices appropriation bill for 1959, to request the President to reduce expenditures 2% on defense items, and 4 to 10% on other appropriations (except for fixed cost items such as interest, pensions, Federal-State cooperative benefits, or veterans compensation), with a report on actions taken on such review to be included in the 1960 budget. p. 17754

20. CONTRACTS. Passed as reported H.R. 11749, to extend the Renegotiation Act of 1951 for 6 months. Senate conferees were appointed. pp. 17558, 17596-9

21. VIRGIN ISLANDS. Adopted the conference report on H. R. 12226, to extend until June 30, 1959, the charter of the Virgin Islands Corporation, including new authority to operate salt water distillation facilities and continuation of authority for sugar production. p. 17600

22. FRUITS. Sen. Langer inserted an article on a proposed chokecherry preserve industry in N. D. pp. 17752-3

SENATE - August 23

23. MUTUAL SECURITY APPROPRIATION BILL, 1959. Both Houses received and agreed to the conference report on this bill, H. R. 13192 (H. Rept. 2704). The Senate had passed the bill earlier as reported by the Appropriations Committee. pp. 17787-88, 17826-48, 17850-62, 17955-6, 17974-8, 17991-2, 17897-98 This bill will now be sent to the President.

24. INDEPENDENT OFFICES APPROPRIATION BILL, 1959. Passed with amendments this bill, H. R. 13856. (pp. 17865-76) Rejected, 30 to 45, an amendment by Sen. Williams, for himself and several others, which would have requested the President to review expenditures programmed by the Federal agencies during 1959, and to reduce expenditures 2 percent on defense items, and 4 to 10 percent on expenditures of other agencies (except for certain fixed cost items), and to report on actions taken on such a review to be included in the 1960 budget. (pp. 17868-74) The House concurred in the Senate amendments with an amendment of its own. (p. 17965) The Senate then concurred in the House amendment. (pp. 17994-7) This bill will now be sent to the President.

Received from the President a supplemental appropriation request for the Departments of Labor and Treasury (S. Doc. 119). p. 17758

25. FORESTRY. Passed without amendment H. R. 12281, to authorize the Secretary of Interior to exchange lands to provide for an administrative site in the El Portal area of the Yosemite National Park, including the exchange of National Forest land. (p. 17790) This bill will now be sent to the President.

Sen. Morse inserted a series of resolutions adopted by the Ore. State Labor Council relating to forestry, timber, forest disease, water power, etc. pp. 17776-8

26. BUTTER; CHEESE. Agreed to the House amendments to S. 2006, to amend the Internal Revenue Code of 1954 so as to relieve the Surgeon General of the Army and Navy from sitting with the Secretary of Agriculture on appeals boards to decide appeals from the decision of the Secretary of the Treasury on cases involving deleterious substances in butter or oleomargarine or in any substance in the manufacture of so-called filled cheese. (pp. 17786-7) This bill will now be sent to the President.

27. SCHOOL LUNCHES. Agreed to the House amendment to S. 1764, to authorize payment of the cost of free lunches for needy children in the D. C. public schools. (p. 17787) This bill will now be sent to the President.

28. FOOD ADDITIVES. Passed with amendments H. R. 13254, to prohibit the use of food additives until after adequate tests of their safety have been determined. Agreed to an amendment by Sen. Williams to exempt from the bill those products regulated under the Poultry Products Inspection Act. The House concurred in the Senate amendment to the bill. (pp. 17791-2, 17938) This bill will now be sent to the President.

was only after the senior Senator from Wisconsin [Mr. WILEY] delivered a fiery talk about Chicago and our failure to dispose of our sewage that I felt I had to unlock the closet and let the skeleton be seen.

Mr. PROXMIRE. If the Senator will permit——

Mr. DOUGLAS. Oh, I am not going to go into the health hazard. I merely say it is a dirty custom. [Laughter.] We in Chicago do not like it. However, in the interest of comity and out of our respect and affection for Wisconsin we have kept silent. But when we are abused, we have a right after years of silence to bring out the naked and unvarnished truth.

Mr. PROXMIRE. I take it my friend is not talking about the health hazard but the esthetic qualities of certain practices and the superstition that because the effluent is repulsive, it raises certain feelings in the minds of people. He is not discussing the health hazard involved, but is raising the point only because Wisconsin does discharge its effluent into the lake, to the detriment of the sensibilities of the people of Chicago.

Mr. DOUGLAS. We have tried to hush that up so that the people of Chicago would not get angry at the people of Milwaukee. While the people of Milwaukee and Wisconsin have been stirring up false passions against Chicago we have tried to keep the people of Chicago in a friendly frame of mind toward Milwaukee and Wisconsin. We have repeatedly turned the other cheek. But now we have the right to speak.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. WILEY. I should like to say to the Senator that he is 100 percent mistaken. We make milorganite out of the solids, and the liquids are returned 95 percent as water into the lake. We sell the milorganite for fertilizer.

Mr. DOUGLAS. So do we.

Mr. WILEY. I am asking the Senator not to make that kind of statement, because I have now given him the facts. If Chicago will do what Milwaukee has done, build a plant which will take care of the problem, instead of maintaining an inefficient plant, he will have the answer.

Mr. DOUGLAS. Engineering papers refer to the Chicago sewage disposal plant as the seventh engineering wonder of the world.

Mr. WILEY. They said that years ago. That praise is good as far as it goes. However, the Senator comes from a growing area, with more sewerage, and is not building more plants.

Mr. JOHNSON of Texas. Mr. President, I wonder whether the Senator from Illinois would yield to me so that I might make a motion to bring up the public debt limit bill.

Mr. DOUGLAS. I shall be glad to do so. I have not tried to hold the floor, but the barbed attacks from Wisconsin and Ohio have been so great——

Mr. WILEY. The Senator loves every minute of it.

Mr. DOUGLAS. That I have had to protect the fair name of my State and of my city.

I shall be glad to yield the floor outright.

Mr. JOHNSON of Texas. I should like to bring up the bill I have referred to.

Mr. DOUGLAS. I shall be glad to yield the floor.

Mr. PROXMIRE. I wonder if the Senator from Illinois would hold the floor for a few more minutes, so that I might ask him another question or two.

Mr. DOUGLAS. I shall be glad to return later. Lay on, Macduff. [Laughter.]

INCREASE IN PUBLIC DEBT LIMIT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the pending business may be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 2454, H. R. 13580.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill, H. R. 13580, to increase the public debt limit.

The PRESIDING OFFICER. Is there objection to present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with amendments, on page 1, at the beginning of line 10, to strike out "$285,000,000,000" and insert "$283,000,000,000"; on page 2, after line 4, to strike out:

SEC. 2. During the period beginning on the date of the enactment of this act and ending on June 30, 1960, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended by the first section of this act, shall be temporarily increased by $3,000,000,000.

And after line 10, to strike out:

SEC. 3. The act entitled "An act to provide for a temporary increase in the public debt limit", approved February 26, 1958 (Public Law 85-336; 72 Stat. 27), is hereby repealed.

Mr. BYRD. Mr. President, the bill provides that the existing permanent debt limit be raised from $275 billion to $283 billion. The temporary increase under present law of $5 billion continues through June 30, 1959. Thus the overall debt limit will be the $288 billion which the Secretary of the Treasury requested, but $5 billion of this will be temporary, as provided by existing law.

Mr. MORSE. Mr. President, will the Senator yield for one or two questions?

Mr. BYRD. I yield.

Mr. MORSE. Will the Senator from Virginia state for the RECORD what the national debt was in 1953?

Mr. BYRD. I do not know exactly. I do not have the figure for 1953. It was very much less than it is today.

Mr. MORSE. Was it either $260 billion or $266 billion?

Mr. BYRD. The national debt limit now is $275 billion.

Mr. MORSE. In 1953, was it $259 billion or $260 billion?

Mr. BYRD. Somewhere in that neighborhood. What year did the Senator say?

Mr. MORSE. Nineteen hundred and fifty-three.

Mr. BYRD. I do not have that figure.

Mr. MORSE. Is it the opinion of the Senator from Virginia that it was in the neighborhood of $260 billion?

Mr. BYRD. It was approximately that.

Mr. MORSE. Would the Senator from Virginia supply the accurate figure for the RECORD?

Mr. BYRD. Yes.

Mr. MORSE. Does the Senator from Virginia have the figure for the national debt as of now, 1958?

Mr. BYRD. The national debt now is about $275 billion, but the debt limit is about $280 billion.

Mr. MORSE. In 1953 it was in the neighborhood of $260 billion, and in 1958 it is in the neighborhood of $275 billion, is that correct?

Mr. BYRD. Yes. I will say to the Senator that there has been an increase in the deficit in the present year of $15 billion. Under the pending bill there would be a total debt limit of $288 billion.

Mr. MORSE. Has the United States been engaged in any major war since 1953?

Mr. BYRD. No. This is the largest debt limit which has ever been requested in peacetime history.

Mr. MORSE. It is the largest debt in the history of the country, is it not?

Mr. BYRD. Yes.

Mr. MORSE. Would the Senator say that under the Eisenhower administration our national debt has increased at least $15 billion?

Mr. BYRD. The debt limit has been increased that much if we include the next fiscal year.

Mr. MORSE. We have increased the debt limit in order to take care of the increase in the debt; is that not correct?

Mr. BYRD. I do not believe that the debt itself has increased that much. With the $12 billion deficit we expect in the next fiscal year, it would certainly be $15 billion.

Mr. MORSE. Does the Senator from Virginia recall the great soothing sedatives and promises of the Republican candidate in 1952 in regard to the national debt?

Mr. BYRD. Yes.

Mr. MORSE. Does the Senator recall the Republican candidate trying to give the American people the impression that if we would put him in the White House, the national debt would be reduced?

Mr. BYRD. I believe that is correct.

Mr. MORSE. I rest my case. [Laughter.]

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum I have prepared.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BYRD

The President's second request in 6 months to raise the Federal debt limit should be stern warning of the great fiscal danger confronting us.

The free world is dependent upon the strength of America, and the strength of America depends upon solvent government and maintaining the value of our dollar.

If confidence in the American dollar is lost, the effect will be calamitous throughout the world. Further impairment of the dollar's value would be a disastrous blow to the international situation.

I have never seen such rapid deterioration in our fiscal affairs as we have experienced since the opening of Congress 7 months ago.

In January we were told the Federal budget would be virtually balanced in the fiscal year ended June 30, and that there would be a surplus in the current fiscal year which began July 1. Now we are told deficits in both years will total $15 billion.

On February 26, Congress responded to the administration's request for a $5 billion increase in the debt limit temporary to June 30, 1959. Now, in July, there is another request. This is a double-decked request totaling $13 billion—$10 billion in permanent increase and $3 billion temporary until next July 1—bringing the debt limit up to $288 billion.

This is not all the reason for alarm. The Director of the Budget estimates expenditures in fiscal year 1960 will approach, if not exceed, $80 billion. This will mean another deficit next year of at least $10 billion. We have in immediate prospect a Federal debt approaching $300 billion.

Congress has not and should not deny national defense requirements, but failure throughout the Federal Government to plan for military emergencies has been astonishing. In the current situation there is and has been no inclination to eliminate nonessentials. Since 1954 Federal spending for strictly domestic-civilian programs has been increased by 60 percent, or more than $10 billion. This is virtually the equivalent of the estimated deficit in the current year.

We are increasing this category of expenditures in the current session of Congress at an amazing rate. While we are facing an era of continuing heavy deficits, new spending authorizations this year as they stand now exceed the budget requests by more than $5 billion.

Further reduction in the purchasing power of the dollar, which now is 48 cents by the 1939 index, is the certain result of the course we are pursuing.

Taxes are already so burdensome they approach diminishing returns. In certain areas they are practically confiscatory.

Continual increase in the Federal debt limit is the license for further inflation, with all its evil consequences.

Mr. PROXMIRE. Mr. President, before the bill is read the third time, I should like to state that I am opposed to any increase in the debt limit which is not accompanied by an increase in revenue through the closing of tax loopholes that give preferential treatment to some individuals and groups in our country.

I am sure that every member of this body knows my attitude toward the tax loopholes that leak revenue at a tremendous rate. I have introduced bills and amendments to tax bills to try to close many of them. I have supported the senior Senator from Illinois [Mr. DOUGLAS] in his valiant but so far futile effort to do the same.

My bills and amendments would have scaled down the percentage depletion allowance for oil and gas wells. They would have ended the preferential treatment given to receivers of income from dividends. They would have required the withholding of income tax from dividends and corporation interest. They would have stopped the taking of a deduction as a business expense for gifts and for money spent in an illegal gambling enterprise.

These bills and amendments would have resulted in a revenue gain of some $3 billion. They would have made it unnecessary to raise the debt limit by that amount.

Some time ago I introduced an amendment to the debt-limit bill which lumped these tax-loophole amendments together and reduced the debt limit allowed in the bill by $3 million—approximately what the amendments would recover in lost revenue.

I understand, of course, that the tax-loophole amendments are not germane to the debt-limit bill.

Mr. President, I am not going to argue this; the amendment is not germane in the narrow technical sense of legislative germaneness as it has evolved in the practice of the Senate. For that reason, I am not going to call up my amendment.

But, Mr. President, I have looked up the definition of "germane" in my dictionary. It means what I thought it meant when I introduced the amendment. "Germane" means "closely allied, appropriate, applying to the case in hand." Its synonyms are "relevant" and "pertinent."

It is hard for me to see, Mr. President, what could be more pertinent or relevant, what could be more closely allied with, what could be more applicable to the case in hand, than are revenue measures to an increase in the national debt limit. It is perfectly obvious that what makes it necessary to raise the debt limit is the failure to collect enough revenue to meet the expenditures of Government.

As I have said, I will not call up my amendment and debate its germaneness at this point in the life of the 85th Congress. But what I must do is to register a protest, as strong a protest as I can make, against the raising of the national debt limit the second time in this session of Congress when this body has repeatedly beaten down attempts to increase Government revenue by terminating unfair tax advantages.

More than that, I am deeply concerned about the size of the debt itself. I am concerned because it keeps getting larger, and as it does inflation eats deeper into the economic security of our people.

Since 1941, the debt limit has been raised 7 times and lowered 3 times. From 1941 it rose from $65 billion to $300 billion. After the war the ceiling was set at $275 billion, but it was temporarily increased in 1954, 1955, 1956, and 1958.

It was inevitable, of course, that increasing national debt should add enormously to inflationary pressures. The value of the dollar has shrunk steadily. If the 1938 dollar is considered to be worth 100 cents, the 1958 dollar is worth 48 cents. What it will be worth in 1959 is not certain, but what is sure is that it will be worth less. Since 1946 it has lost value in every single year except 1949 and 1955.

The cost of living has gone up, of course, as the value of the dollar has gone down. Even in recession the cost of living has steadily risen. Consumer prices rose 0.1 percent between May and June this year. The Consumer Price Index for June 1958, was 123.7, taking the period 1947–49 as 100. This was 2.9 percent higher than a year earlier.

Where is the American economy going? The official estimate is that the deficit for fiscal 1959 will be $12 billion. This is the highest peacetime deficit in the history of the Nation. It means, beyond a peradventure of a doubt, more inflation, more insecurity, more economic misery for people on fixed incomes. It means an even more desperate prospect for the unemployed.

Mr. President, there is a tragic process at work in our economy which is revealed, at some point on the circle, by almost any statistic we cite. We have to raise the debt limit because there is a deficit. We have a deficit because revenues are down. We have less revenue because there are many unemployed—5.4 million in June, 6.8 percent of the working force.

It is too late in this Congress to take that decisive action now. It is too late in this Congress to regain revenue for the Government by closing tax loopholes. It is too late, not because those actions would not help now, but because there is no disposition on the part of a majority in either House to take them. That is why I am not calling up my amendment—not because I lack confidence in its rightness but because I am sure that it would not pass.

Mr. President, I am going to vote against the amendment to increase the debt limit. Under the circumstances, I am sure that the debt limit must be increased. I cast my vote against the bill, nevertheless, as a protest against the continuation of tax advantages for our most advantaged people while the Nation swims against a tide of inflation and debt that threatens to engulf it.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MALONE obtained the floor.

Mr. BRIDGES. Mr. President, will the Senator from Nevada yield to me without losing his right to the floor?

Mr. MALONE. I yield.

(Senate proceedings continued after House proceedings of today's RECORD.)

RALPH E. FLANDERS was born in Barnet, Vt. His father came of a family so poor that he had to be "bound out" as a boy for a year at a time to farmers in need of help who were willing to support him.

But this distinguished Senator, who went to school 8 years and never attended any college, has been awarded 8 honorary degrees from leading American universities.

CONNECTION WITH NASHUA, N. H.

Senator FLANDERS spent his twenties in short periods of employment to gain experience under different conditions. The one which he looks back on with particular pleasure was a year and a half connection with a Canadian-French inventor which resulted in the design of a automatic paper-box machine which is still being made and still going strong in the city of Nashua, N. H. He soon wrote one book on gearing and became a national and even international authority on the subject.

At this attracted the attention of the Fellows Gear Shaper Co., in Springfield, Vt., which offered the future Senator a job which he gladly accepted.

After 2 years, an opening occurred in the Jones & Lamson Machine Co., in Springfield, and an unsuccessful machine which appeared to have great possibilities was turned over to RALPH FLANDERS for developing. This task engaged his attention for the next 4 or 5 years. He completely redesigned the machine, enlarged its field of usefulness, took out a number of patents on his improvements, and began its development as a main product of the company. At this time he was made manager of the company as a whole and, in 1939, succeeded to its presidency, which position he held until he went to Boston in 1944.

During World War II, RALPH FLANDERS was called to Washington to administer machine tool priorities, a job which he continued until it was well organized. Other Government assignments continued, including industry adviser to wartime OPA; special adviser to the Navy on the acceleration of torpedo production; and most important, membership in the Economic Stabilization Board.

PRESIDENT OF FEDERAL RESERVE BANK

In May 1944, Senator FLANDERS was honored by being elected to the presidency of the Federal Reserve Bank of Boston. His 2 years in this post gave him the opportunity to render a major service to all New England.

He was appointed United States Senator in November 1946, to fill the unexpired term of Senator Warren Austin. He was subsequently elected for the full term and was reelected in 1952.

Since joining this body he has served on numerous Senate committees, including the Banking and Currency, Rules, Post Office and Civil Service, Armed Services, Finance and the Joint Economic Committee.

He has sponsored, or cosponsored, nationally important legislation on such vital subjects as housing, labor relations, voluntary health insurance, United Nations emergency force, and disarmament resolutions.

I know I speak for every Member of the Senate when I express my sincere wish to RALPH and Mrs. Flanders that they enjoy to the utmost a happy retirement in the State which he loves.

Mr. President, I have previously expressed myself relative to the retirement from the Senate of the distinguished Senator from Indiana [Mr. JENNER], the distinguished Senator from New Jersey [Mr. SMITH], and the distinguished Senator from Pennsylvania [Mr. MARTIN].

Mr. JOHNSON of Texas. Mr. President, will the Senator from Nevada [Mr. MALONE] yield 2 or 3 minutes to the Senator from South Carolina, with the understanding that the Senator from Nevada will not lose the floor? The Senator from South Carolina was seeking recognition before the quorum call.

Mr. MALONE. I am glad to yield for that purpose.

INCREASE IN PUBLIC DEBT LIMIT

The Senate resumed the consideration of the bill (H. R. 12580) to increase the public debt limit.

Mr. THURMOND. Mr. President, I desire to go on record against the increase in the debt limit. In the spring of this year, Congress increased the debt limit from $275 billion to $280 billion. Now it is proposed to increase the debt limit $8 billion more, which will make the total $288 billion.

It is my firm opinion that if the United States is to remain a free country, we must remain strong militarily and strong economically. We cannot remain strong economically by continually increasing the debt.

It is my firm conviction that the administration must discontinue recommending programs which will plunge the Federal Government further into business in competition with private business and encourage greater spending on the part of the Federal Government.

I firmly believe that Congress must discontinue launching new programs of the kind which we launched here today for education, as to which the Federal Government has no jurisdiction under the Constitution, and also the foreign-aid programs involving the giving away or spending of several billion dollars. There are other such unnecessary programs which I could mention.

I think we must call a halt, and now is the time to do it. The only way we will stop spending is to stop increasing the debt limit. If we do not raise the debt limit, then we will be prohibited from going any further with our spending.

It is for these reasons that I wish to be recorded in opposition to any increase in the debt limit.

FREE LABOR AND ENLIGHTENED MANAGEMENT—NEW APPROACH TO OUR LATIN AMERICAN RELATIONSHIPS

Mr. MORSE. Mr. President, I ask unanimous consent that the Senator from Nevada [Mr. MALONE] may yield to me for the purpose of my making a brief statement, with the understanding that he will not lose his right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. MALONE. I yield for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, during the past 3 weeks, when I was preparing this speech, I did not know it would perform the function it is about to perform, namely, of providing a breath-catching period following forensic gestures in the Lake Michigan diversion debate. But after listening to that delightful debate, I see now that my speech will serve more than its original purpose.

I prepared this speech as chairman of the Latin America Subcommittee of the Foreign Relations Committee; it is the subcommittee which has been entrusted by the Senate with a study of Latin American relations. Copies of the speech have been in the press gallery for many hours. It is a major speech by me, as chairman of the Subcommittee on Latin American Problems. The title of the speech is "Free Labor and Enlightened Management—A New Approach to Our Latin American Relationships."

THE RUDE AWAKENING

Mr. President, now that the initial shock has passed, we can begin to develop some perspective on the trip to South America made by the Vice President of the United States.

We know that the incidents which marred that journey probably were started by, and certainly were exploited by Communists. Spitting upon a woman is a tactic fully in charcter with the executioners of Hungary.

But we also can begin to recognize that communism is not the whole story. It took the shock of the Nixon journey to stimulate more realistic and purposeful thought about Latin America in this country.

STRONG FRIENDSHIP WITH LATIN AMERICA ESSENTIAL TO UNITED STATES SECURITY

In our confidence that we and Latin America were "good neighbors," we allowed ourselves to become preoccupied with other areas and other problems. Certainly, we need not have ignored the significance of the fact that the Soviet bloc presses in upon Western Europe or the fact that the Middle and Far East are in a most turbulent state of political turmoil. Certainly, these facts are of critical importance to us. Nevertheless, we had only to refer to World War II to remind ourselves that Latin America also is critical to the United States in time of emergency. Within 1 year of Pearl Harbor, 11 of the Latin American countries declared war on our enemies. During the war, the United States imported from Latin American countries about 80 percent of their total copper output, 100 percent of their oil, and 75 percent of their lead and other strategic war materials.

Now, as then, Latin America is an area essential to the security of the United States whether we are aware of the region or forgetful of it. If peace is urgent for the United States, then it is essential to have "area policies" for peace. Latin America is one of the areas in which we require these policies. It is

within this scope that the Subcommittee on American Republic Affairs will examine United States Government policies toward Latin America. These policies are based on many complex factors and it is not my purpose now to go into matters which the subcommittee, over the coming months, will study in great detail. What I should like to suggest today is that some of the most important factors in United States-Latin American relations may be primarily outside the scope of official United States Government action.

UNITED STATES CITIZENS IN LATIN AMERICA—EMISSARIES OF GOOD WILL AND UNDERSTANDING

To North Americans and Latin Americans alike, the word "neighbor" suggests a personal and not an official relationship. A neighbor is a friend, not an official envoy from some distant power. Who, then, is the average Latin American likely to use as his measure of United States good neighborliness—the occasional United States diplomat confined by necessity and custom to political circles in the capitol or the ever-present United States businessman and engineer who is everywhere that commerce is—in the remote oil fields, on the plantation, and at the mines? It is these men—the businessmen and the technicians who are physically the Latin's neighbor and in many cases his employer. Statistics alone indicate the importance of the nonofficial groups of our citizens in Latin America. There are only about 1,000 United States diplomats in Latin America as compared to 112,815 private United States citizens living in these countries. The opportunity and responsibility of the private citizen to contribute to his country's stature, therefore, is obviously very great.

I speak here not of personal diplomacy in social relations, important though this may be, but of the heavier responsibility that comes with the conduct of business relations. For it is in the world of business that the United States has its largest, most frequent, and most widespread contact with Latin America. Although the total number of United States companies operating in Latin America has never been officially estimated, investments in Latin America today run over $7.5 billion. This investment has increased 12.1 percent since 1950. These investments, moreover, are in industries that are crucial to the economic well-being of many a Latin American company. That is true, for example, of the oil industry in Venezuela, the copper industry in Peru, and the plantation industries of Central America.

BUSINESSMEN SYMBOLIZE THE UNITED STATES TO LATIN AMERICANS

Hence, the United States businessman, whether he wishes so or not, is the prime focus of Latin American eyes. His policies, most of which are beyond the scope of formal government-to-government relations, are in fact a major criterion by which the United States is measured. By way of an illustrative parallel, let us imagine, for a moment, that the United States steel and automobile industries were managed by foreign businessmen. We should then recognize how sensitive our politicians, our press, our labor leaders, our business leaders, our intellectuals, and students would be to every move and every policy of that management. Would we be any less quick than Latin America to see "exploitation" in that management? Would we be any less ready to listen to charges of "imperialism" raised by the extremists among us? Certainly the polices of that foreign management would be for millions of American workers a more real, personal, and tangible measure of that foreign government than anything done by its ambassador in Washington.

GROWTH OF THE TRADE UNION MOVEMENT IN LATIN AMERICA

In his role as employer, then, the United States businessman is a most real and personal representative of the United States to the single largest group of Latin Americans—the working people. The number of these people who are organized is growing daily.

Ten years ago, Latin American trade union membership was 3,765,000; today that figure is 12,019,000, an increase of 319 percent. The increase for some of the more highly industrialized countries is even more impressive. During this period the percentage increase in trade union membership in Argentina was 84 percent; for Brazil over 500 percent; and for Uruguay 432 percent.

The actual figures showing the increases over the 10-year period are these:

Argentina	500,000	4,200,000
Brazil	500,000	2,536,000
Uruguay	75,000	183,000

Even in Central America—the most agriculturally dependent area—the past 2 years has seen the formation of national unions in all countries.

THE POLITICAL IMPORTANCE OF THE LABOR MOVEMENT IN LATIN AMERICA

Because of this growth in numbers and in organization, the workers of Latin America are far more than just an economic group and their attitudes are far more than just a business problem. They must be regarded as a major force, in certain countries, the decisive force, in determining national political destinies.

In Argentina, in 1946, it was the workers who brought Peron to power. In Bolivia in 1952 it was the workers who by force of arms installed the present government. In 1958, a few months ago, it was the workers who were a powerful factor in overturning the dictators of Venezuela and Columbia.

This political potential of the worker to be manipulated in the quest for power has, of course, been of fundamental concern to the Communists since 1948 when Marx first issued his manifesto to the proletariat. Today in 1958 this Communist interest in labor is no less persistent.

GRAVE THREAT OF COMMUNIST DOMINATION OF SOUTH AMERICAN LABOR UNIONS

In Ecuador, the Communists control the national labor movement. In Uruguay and Chile the Communist-controlled unions outnumber those of the free trade union groups. In Argentina, Brazil, Peru, and many other Latin American countries Communist labor elements in certain key sectors of the economy are strong. If this were not enough—and we know that partial control is never enough for the Communists—their training of Latin American labor leaders is going on at a disturbing and almost incredible rate.

Latin American attendance at Communist-sponsored schools and gatherings held behind the Iron and Bamboo Curtains is indicated by the following: During the single year of 1957 a total of 168 persons representing 18 different delegations attended these various meetings, rallies, and schools. This constituted a sizable increase over 1956 when only 11 delegations representing 80 persons attended such labor gatherings behind the Iron Curtain. Those individuals who attend these labor gatherings and schools receive a thorough grounding in Communist principles, tactics, and action programs. Upon return to their respective countries their progress is closely followed through correspondence, visits from officials of the Communist international labor organizations, and regional meetings held under the auspices of the Latin American arm of the World Federation of Trade Unions, the Confederation de Trabajadores de America Latina.

Labor gatherings, rallies, and schools constitute only a part of the total Communist program. The World Conference of Teachers which was held in Warsaw during August of last year was attended by 10 country delegations from Latin America. This conference was sponsored by the Communist teachers organization. Even larger than these Communist mechanisms are the cultural, professional and front delegations, which do not fail to include Latin American representation. Perhaps it was recognition of these facts, the growth of the political potential of Latin American labor and of Communist interest therein, that brought Vice President NIXON to the conclusion that we in the United States "must take more of an interest in Latin American labor."

FREE UNITED STATES LABOR—MODEL FOR LATIN AMERICAN LABOR

For many years the American labor movement has taken a substantial interest in the trade unions of Latin America. Their programs are conducted through the various international labor organizations, some of which have been in existence 60 years, and are paid for by the dues of the 15 million trade unionists in the United States together with trade unionists from other areas of the world.

The purpose of these activities, as has been stated by President George Meany, of the AFL–CIO, is to "help our trade-union colleagues in other lands in their efforts to build free unions. We think it is absolutely essential for the freedom and economic health of these lands that they have strong free trade-union movements with full opportunity for genuine collective bargaining and decent working conditions."[1]

[1] From a talk delivered by George Meany, October 17, 1957, in San Francisco, Calif.

sponsibility and the obligation to carry into Latin America the American way of life. And any business practice, any labor practice, any economic practice that cannot be squared with the American way of life is a disservice to the American people in our relations with South America and Latin America.

Therefore, as my committee proceeds with a study, during the next 2-year period, of Latin American and American relations, I want to make it very clear tonight that, as chairman of the committee, I intend to be very much interested in seeing what kind of ambassadorial job American representatives and citizens, investors, businessmen, and technicians living in South America are doing for the American people, because I have a feeling we shall find much evidence of a need for a great improvement on the part of American businessmen in respect to their business practices in South America, if we are really to develop a good neighbor policy with our friends to the south of us.

APPLICABILITY OF POLICEMEN AND FIREMEN'S RETIREMENT AND DISABILITY AMENDMENTS OF 1957 TO CERTAIN RETIRED POLICEMEN AND FIREMEN, AND THEIR WIDOWS, WIDOWERS, AND CHILDREN

Mr. BIBLE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H. R. 7450.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 7450) to make the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 applicable to retired former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, and the United States Secret Service; and to their widows, widowers, and children, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BIBLE. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BIBLE, Mr. PROXMIRE, and Mr. BEALL conferees on the part of the Senate.

INCREASE IN PUBLIC DEBT LIMIT

The Senate resumed the consideration of the bill (H. R. 13580) to increase the public debt limit.

THE DEBT LIMIT RISE—AND INFLATION ONE PART OF A PINCERS MOVEMENT TO DESTROY THIS NATION

Mr. MALONE. Mr. President, I opposed an increase in the debt limit ceiling in the Senate Finance Committee last year, and again early this year. When I asked that my vote be recorded I said to the committee, "This is only the beginning. Before the year is over they will be back for another debt limit rise." I did it for the reason that we are trying to support the world and trying to dominate the world.

We are going to send troops into any little buffer nation that is in trouble. We are going to give that country money. In this country we have come to believe that money is the end and the answer to every problem confronting the United States. Some day we shall run out of money. When we do, we shall look around, and nobody will be in sight. Taxes will have bled our own people white and the stamina of our Nation will be destroyed.

TWO POLITICAL PARTIES TODAY IDENTICAL

The people themselves cannot even know what the Congress of the United States and the executive branch have done to them in 24 years. Until lately they refused to believe it. It used to be that when a certain party was in power and something happened to the people, they voted against that party and put the other party in power. What is the use now of voting for the other party? The parties are exactly alike. There is not one iota of difference.

POLICIES THAT BUILT NATION REVERSED IN 1934

When did that change come about? It was in 1934 that the great change came over this Nation.

For 150 years, Mr. President, we built the standards of living in this country to a higher level than existed in any nation on earth. How? By imposing a duty, or a tariff, whichever one wishes to call it. Article I, section 8, calls it a duty—an excise. To do what? To make up the difference between the standard of living and wages in a foreign country and that in this country, on a product which is competitive. That is how we raised the standard of living of this country.

INFLATION PRICES UNITED STATES PRODUCTS OUT OF WORLD MARKET

As a result, this country became well established. We were running on our own power, when along came the change in policy in 1934. In 1933 we went off the gold standard. In a very short time, through inflation, we priced ourselevs out of every market in the world. The only way a manufacturer in this country can sell his product is by having a tariff imposed to make up the difference between the cost of production in this country and the world price of any product.

FIRST CONGRESS IN 1789 ENACTED PROTECTIVE TARIFF

So in 1934 the whole policy of this Nation was changed. The first Tariff Act, which was enacted in 1789, was a protective tariff to make up the difference between the cost of doing business in this country and in the chief competing country, on a competitive product. Sometimes the tariff was adjusted awkwardly. Sometimes it was adjusted too high, sometimes too low; but the objective was always the same. When they missed the objectivc, the officials concerned lost their jobs, because an investment in this country was lost as a result.

TARIFFS BASED ON FAIR AND REASONABLE COMPETITORS UNTIL 1934

The best tariff law was enacted in 1930, when the Tariff Commission was established, as a agent of the Congress, to adjust flexible tariffs and flexible duties. To adjust them on what basis? On the basis of fair and reasonable competition, under section 336, relating to adjustment of costs.

The Tariff Commission adjusted the tariff on a flexible basis, to make up the difference between the wages paid and the cost of doing business in a foreign country and those in this country on each competitive product.

Every 10 days, or every year, or every 10 years, whenever the Tariff Commission had reason to believe that there was a change in the living standards of a nation, the Commission could consider readjusting a tariff on its own motion, at the request of the President or at the request of Congress. It could adjust the tariff to make up the difference. What did that mean? It meant taking the profit out of sweatshop labor throughout the world at the water's edge.

AMERICAN MARKET DIVIDED BY FOREIGN GATT MEMBERS SINCE 1947

Mr. President, this is the only market in the world that amounts to anything. It is the only market in the world that amounts to anything at Geneva. In 1947 the President of the United States put authority in the hands of the representatives of 36 other nations, this Nation making the 37th, sitting at Geneva, to complete the job of dividing the markets of America. We have no American markets. We are down on the ground. We are living on a war economy, Mr. President—$40 billion last year, $60 billion this coming year. The country is afraid to quit.

WAR ECONOMY CONTINUED TO HOLD UP STANDARD OF LIVING

We are afraid to quit, because when we do the people of this country will be unemployed and the investments will be gone. That is the way we are holding up the standard of living.

So what does the Congress do? The pincers movement can destroy this country. It contains several economic factors and political factors, but only one is presented to the Congress at a time. First we go off the gold standard and start inflation, deliberately. Next we have free trade, free imports with low-cost labor. We try to compete with foreign labor, although in America more is paid for industrial insurance and social security than is paid for wages in the foreign countries. We cannot compete. We know we cannot. Why does Congress vote for that? I do not know. Some day we will find out. That is the second thing.

FOREIGN AID PROGRAM LAUNCHED BEFORE START OF WORLD WAR II

Then, not content, we started even before World War II what we callled lend-lease. Then we later called it the Marshall plan. First there was a $3¾ billion loan to England. That was to be

the last. That was to settle everything. Then the great Marshall plan was to settle everything.

BRITAIN SET COST OF MARSHALL PLAN

What was the Marshall plan? General Marshall did not know. Marshall made a speech at Harvard, which had a little paragraph in it that we should help other nations get on their feet. I doubt if he knew the paragraph was in his speech, but it was known in London. The Prime Minister told us within 30 days how much it would cost. We were told it would cost $17 billion in 5 years. That is what it was to cost. That was to be the end of it. Everything was fine.

SENATOR PREDICTED IN 1948 GIVE-AWAY PROGRAM TO BE PERMANENT

Mr. President, I stood on the floor of the Senate in 1948 and said that once we started it would become permanent. That is in the RECORD. Of course the program has become permanent. The Secretary of State has said it must be permanent.

The present Secretary of State is not the first Secretary of State to say that. Mr. Acheson in 1948—and I will correct the RECORD if necessary—and his assistant, Mr. Willard Thorpe, said it. Mr. Acheson first said, in general purport, "It has become impossible to separate the regulation of the national economy and foreign trade."

ACHESON PROGRAM RUBBERSTAMPED BY DULLES

Then Willard Thorpe testified before the House Ways and Means Committee. What did he say? He testified to a 3-point program. First was the loan, the Marshall plan. Second was the statement that we should develop these countries, to hold them up until we could make free trade permanent. That was the 1934 trade agreements—reciprocal trade—which was the second point. Then there was the International Trade Organization. If Congress had passed that the program would have been permanent. Mr. Thorpe said, "They are inseparable."

FREE TRADE PROGRAM COPIED FROM KARL MARX

Mr. Dulles sat here as a Senator for a year and voted for everything Mr. Acheson brought in. When he failed of election as a Senator from New York he went to work for Acheson. He is the one who wrote the treaty with Japan, which is destroying the textile industry in this country, and everything that it touches.

Mr. Dulles has carried out every iota of the program Mr. Acheson and Mr. Thorpe advocated. Where did it come from? That came from the Marxist plan.

KARL MARX ADVOCATED FREE TRADE TO HASTEN REVOLUTION

Mr. Marx was not such a dumb fellow. He said, "I am for free trade." He said it in his speech in 1848 at Brussels, Belgium. As a coincidence, it was at a democratic meeting. He said, "I am for free trade, because it hastens the revolution." And on that basis, he said, "I am for free trade."

HISS, HARRY DEXTER WHITE, V. FRANK COE, SPEEDED PROGRAM

So we hear his successors in this country. Mr. Frank Coe—they spell it C-o-e—can be looked up. He is one of the finest traitors this country ever developed. Then along came Mr. Alger Hiss. Then along came Harry Dexter White. There were 5 or 6 of them. Harry Dexter White organized the International Monetary Fund. The International Monetary Fund was going to cure everything. It turned out that this group was about the finest group of traitors this country ever produced.

So what? So the Congress of the United States is following the plan of free imports, inflation, and billions to Europe and Asia. Is it not wonderful, Mr. President, that we can follow those men—now dead or discredited.

COLONIALISM DEFINED

So we are carrying on a program in Europe and Asia. We might call it "colonialism" under a different name. Colonialism died in World War II, when the airplane dominated the British fleet. The British fleet held colonialism for England, France, Belgium and the other smaller nations for 300 years, but when the airplane dominated the British fleet, colonialism died. Colonialism has ridden on its momentum since then.

I stood on the Senate floor in 1948, 11 years ago, and said, "Colonialism is dead. The people of the colonial nations are on the move. There will never be any more profit made from the colonial nations, because it will cost more to hold them in subjection than can be made from the trade they can provide."

There were 300 years of colonialism. What is colonialism? Colonialism is the domination by a stronger nation of the markets of a weaker nation. That is what we had, under England, but we declared our independence in 1776. We declared our independence from the interminable trade wars of old Europe.

Trade wars had been going on for a thousand years.

BIGGEST TRADE WAR IN HISTORY NOW THREATENED

The biggest trade war in the history of the world is threatened now. So we send Marines over. That is like sending a 10-year-old boy into a slum area to stop a fight. Nobody wants a fight, so they do not find any fight. Now the Marines are coming home, after being laughed at by the Middle East and by Russia.

RUSSIA SEEKING WARM-WATER PORTS TO BOTH MAJOR OCEANS

Why should Russia want a war? All Russia has wanted for 500 years is a warm water port in both oceans, and Russia has them. Have we forgotten that? The British fleet kept them from getting it for 300 years, but the fleet is gone. The fleet does not dare leave the harbor. Our fleet dares to leave, because we do not know any better, but if a fight started in the Mediterranean or on Formosa, the fleet would be on the bottom in 30 minutes, if it meant anything, if it were in the way—but it probably does not mean anything.

SENATOR RECALLS SERVICE IN TWO WARS

It was my good fortune, if one wishes to call it that, to see a couple of wars. I took a battery of field artillery to France in 1917 and 1918. The French .75 was a pretty good gun then, It is not good now.

In 1942, the Japs hit Dutch Harbor. I am the one the Senate Military Affairs Committee, now the Senate Armed Services Committee, sent in to make a report on Alaska, as their consultant. I made a report on Alaska. It was not pretty, Mr. President.

HOW MAC ARTHUR FOUGHT IN PACIFIC

In 1943 I was sent to the South Seas, with MacArthur. Do Senators know what MacArthur used to do with people like the Marines we sent over there? Japan had those islands barricaded and fortified until they were impenetrable. They were impenetrable by any land force. What did MacArthur do? He mapped out a program. I used to see him stand on the porch of his cabin at New Guinea and look toward the Philippines—just standing there looking like a statue—impatient, hardly able to wait. So when one of these little islands which was so fortified that we could not do anything with it was in the regular way, what did he do? He bypassed it, and let the defenders starve to death. That is what they did. Little wars.

LITTLE WARS BRING DEATH TO SOLDIERS WITHOUT VICTORY

What is a little war good for? A little war murders our soldiers. We murdered our soldiers in Korea. We would not let them win and we would not let them lose. We ran them up and down the snowy hillsides, and left them with their guts shot out.

ATOMIC SUBMARINES CAN SAFEGUARD NATION

Anyone who would do that should be impeached. What are we going to do in these little wars? Are we going to get down to fighting with pocketknives because we are afraid to use what we have? Only 10 days ago we knew what was going to happen. We have known it for 2 or 3 years. One of our atomic submarines went under the North Pole. Then a second crossed the Pole under the Arctic ice. It traveled 5,000 miles under water and stopped only because it had reached its destination. It did not stop because it ran out of fuel. It did not stop because it was tired, or for any other reason than that it had reached its destination. Build 100 of them, 50, or 25 of them, or whatever we need, and leave them under the Arctic ice. All they would have to do would be to surface every 2 or 3 years and let the boys reenlist.

America could be destroyed by 30 or 40 submarines which do not have to stop for 2 years. We could destroy the nation which destroyed us; and the submarines would never have to come home. So let us build them.

FUTURE WARS TO BE FOUGHT IN THE AIR AND UNDER SEAS

The next war will be fought under the sea and in the air. I have been saying this for 10 or 12 years. I still believe it. It will not be fought with marines out on an island. It will not be fought with field artillery such as I had in France in 1917 and 1918. It will not be fought with flattops. A flattop can be sunk like a canoe by a submarine.

We need the Navy, but it must change. It will have a different duty. It must hunt submarines off the coast, at a distance of 1,000 to 1,500 miles. That is not done with jets. It is done with slow planes. There is a place for everyone, but times have changed.

MARCHING ARMIES NOW OBSOLETE

A foot army will be just as obsolete as a Civil War musket in the next war. There will be foot soldiers, but they will be trained parachute troops who can be set down anywhere and left for 2 hours, 2 weeks, or 2 years, and picked up when they have completed their mission. They will be commando trained.

The home guards will be commando-trained to protect defense installations and public utilities, but there will be no foot soldiers fooling around over the world. They are being laughed at. Thank God, we are bringing them home before we are laughed out of the country.

WORLD INSPECTION OF FOREIGN INDUSTRIES

When I first came here, I thought that I had to see all our star boarders, so I visited every nation in the world. It took me 8 years. I visited their industries. I watched them at work. I watched what they ate, what they wore, and how they got along.

An engineer is a dangerous man, because if he is allowed into a plant he may not know much about that particular industry, but he will soon know whether or not the man who operates the plant knows anything about it. He will know whether the workmen are satisfied. He will know what they eat and what they wear. He will know how long the plant is going to last, because his is the business of industrial reporting. He knows how to do it.

After I had visited all the star boarders in Asia and Europe I went behind the Iron Curtain and stayed for 2½ months. I know Khrushchev and Bulganin as well as one can know anyone he associates with for a few months. They are tough. Mr. Khrushchev is as tough as a boot; and he knows what he is doing.

SOVIET SATELLITES UNDER FOREIGN DOMINATION FOR CENTURIES

The State Department was continually saying, "They are not getting enough to eat. They cannot live. There will be a revolution." Therefore, in 1955, when I got ready to leave, this is what I said—let Senators put it down in their books. I said three things—in the first place, that Russia could make any area under her control, such as the Balkans, self-sufficient in everything necessary for war or peace, in a very reasonable time. I said there would be no successful revolt. Why? Because the Balkans have been between Turkey and Russia and Germany for a thousand years. They have never been truly free. They have always been dominated by some other country.

In the Socialist Republic where Stalin was born, the Georgian Republic, I saw the first women wearing lipstick. It is a little warmer in Georgia and the Armenian Republic. One must listen to those people to know what they are thinking about. One asks, "How are you getting along?" They grin and walk away. Finally they began to talk. They said, "Turkey is not going to attack us any more." That statement did not mean much until I looked into the situation. Turkey has overrun the Georgian Republic forty or fifty times in 100 years.

So perhaps the Georgians do not like Russia too well, but they know that if Turkey attacks them, Russia will destroy Turkey in 30 minutes. Turkey is not going into that area.

FORTY-YEAR TRADE WAR DESTROYED NATION HOLDING RUSSIA IN CHECK

We took care of Germany. In 1917, we entered a 40-year trade war between England and Germany, on England's side, and utterly destroyed the only nation that could hold Russia in check. We have done that twice. Now we wonder what we are going to do with Russia.

Let Germany grow enough, and she will tell us what to do with Russia. She will grow if we allow her to do so. The Germans are a peculiar race. They will fight and they will work. They are about the only nation left in Europe which will do that. Think that over. All we have to do is to let them alone for 3 or 4 years, and they will be able to whip any nation in Europe. England and France are never going to leave Germany, so they keep us there. They are afraid of her.

TREASURY SECRETARY ANDERSON LAUDED

Several witnesses appeared before the Senate Finance Committee, but the only one I paid very much attention to was Mr. Anderson, our Secretary of the Treasury, one of the finest men it has ever been my pleasure to know. I knew him almost intimately when he was Secretary of the Navy. He had more horse sense than anyone who has been Secretary of the Navy while I have been in the Senate, a period of 12 years.

He is the one who said, "There will be no more new defense industries on the Pacific coast. We are going to put them behind the secondary defense area—the Sierra Nevada Mountains."

SECONDARY DEFENSE AREA MECCA FOR NEW DEFENSE INDUSTRIES

That made considerable sense. We placed the Navy munitions stores behind the Sierra Nevada Mountains in 1928. At that time I was State engineer of Nevada. Senator Pittman and I, together with the then Governor of Nevada, thought of that idea. We said, "This is the secondary defense area. It is harder to get at than the area on the Pacific slope." So the munitions stores were placed behind the Sierra Nevada Mountains.

Those mountains range all the way from Canada to old Mexico. That is still a secondary defense area.

After Mr. Anderson had been Secretary of the Navy for 2 or 3 years, he was the cause of the announcement from the Armed Services Committee, to the effect that there will be no more new defense industries along the Pacific coast, where they can be destroyed by a well-placed shot fired from a submarine out in the Pacific.

COAST UNIVERSITIES GAINED EARLY LEAD IN ATOMIC ENERGY FIELD

In the University of Southern California and in Cal-Tech and at Stanford they are doing wonderful things. They have taken the lead in the atomic energy field since 1938. I remember that when I was making an industrial report on the 11 States, Alaska, Hawaii, and the Philippines I had a branch office in San Francisco, and I worked with those wonderful California people. That was as early as 1938. That is only 20 years ago. Those people have been in the vanguard of this development.

NEVADA UNIVERSITY PROGRAM OFFERS GREATER SAFEGUARD IN EVENT OF ENEMY COASTAL ATTACK

Recently we have been allocated a subcritical reactor for the University of Nevada. It will be located behind the Sierra Nevada Mountains. At the University of Nevada scientists are studying nuclear chemistry and nuclear physics, and they will build laboratories and machine shops, so that if there is ever a real threat on the Pacific coast, some of those brains can move back there. Perhaps that is not far enough back from the coast.

RAISE IN DEBT LIMIT ASKED ANNUALLY TO BOLSTER FOREIGN AID

At least it is a secondary defense area. The things we are doing in the name of national defense and spending billions of dollars for are the silliest things on earth today. We have sent over $70 billion to Europe and Asia since the close of World War II. There is not that much real money in the whole world. Every year, however, the bureaus come to us and say, "We are all making money." Every little while they come to us and ask for more money. Once a year, on the average, they ask for a raise in the debt limit. If a private business said it was making money, and the presiding officer was a member of the board of directors, about the second time they came for additional money, the presiding officer, I am sure, would ask, "Where is this money you are making?"

The answer is they are not making any money. If the American people ever wake up and are ever furnished the information as to what is being done with the money that is spent for mutual security—first it was called the Marshall plan, then ECA, and the name has been changed since then every year or two, and, of course, no information is available on it so far as the American taxpayers are concerned as to what is being done with all that money—if the American people ever wake up as to what is actually being done with all that money, they will move on Washington, and will not even wait for an election.

SECRETARY OF STATE PLAYING SANTA CLAUS TO WORLD WITH TAXPAYERS' MONEY

I believe that Mr. Anderson, the Secretary of the Treasury, is one of the finest men who has ever held a position in Government. He is honest and he has integrity. He is telling Congress the truth. What is the truth? We have a Secretary of State who is running all over the world promising money to everybody.

Now we are proposing to dig water wells all over the Sahara Desert. What we do is buy the consent of these nations to sign treaties which they never intend to keep if the money stops coming.

What did the Secretary of the Treasury tell us. He said, "I am only a middleman. When the President asks for it and decides to spend it, and when Congress appropriates it, I must pay it out; that is all. All I am is a middleman."

I love him for it. I would do anything for him. We must stop this business somewhere. We cannot spend money all over the world. I believe there is only one way in which it will ever be stopped, and that is by the taxpayers when they finally catch up with us.

Mr. Brundage is a distinguished young man in charge of the budget. He is in the same position. All he can do is what he has told us. He said that he, too, was a hired hand. We are working with hired hands.

MILLIONS PROMISED TO MAKE SAHARA BLOOM LIKE ROSE, WHILE OUR OWN WEST FILLED WITH ARID WASTES

I said before that the man we ought to have testify before the Committee on Finance is Mr. Dulles. He is the man who is traveling all over the world. Every time he steps out of an airplane he promises several hundred million dollars to somebody.

Now we propose to solve the water problem in the Middle East. I am an engineer. I have been in the engineering business and was in it before I came to the Senate. I know something about water. At least I used to be paid for my knowledge. I have been all over the Middle East. I have seen the whole area. By the time we get enough water in the Sahara Desert to make the desert bloom like a rose—that is what we have promised to do—some of the taxpayers will say, "Why don't you get a little water for us in some of the arid areas in the United States?"

AMERICAN DROUGHT AREAS STARVE FOR FUNDS WHILE MILLIONS SPENT ON FOREIGN IRRIGATION

Arkansas would like to come under the Bureau of Reclamation, because a month or two of dry weather out there destroys the crops. However, it is said we cannot do it, because we do not have the money. We do not have money for projects like that. We do not have money for flood control in this country.

A bureau here in Washington, as to which not a Senator knows what its job is or what it is doing, can say that we will build a project in the Middle East, or a project in any other country, or a project in Asia or anywhere else. We do not even know what is being done. All we do is appropriate the money, and then raise the debt limit.

SENATOR'S INQUIRY OF SECRETARY ANDERSON REPRINTED

Mr. President, I ask unanimous consent to have printed in the RECORD at this point my cross-examination of the Secretary of the Treasury, Mr. Anderson, so that the taxpayers will have the information as to what this situation is all about.

That is from page 30 of the hearing before the Committee on Finance on H. R. 13580, an act to increase the public debt limit, dated August 15, 1958, to page 39, as indicated.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senator MALONE. Mr. Secretary, I do not have to state again in the record my high regard for you, and that you are being used as a middleman. The things that happen and cost money, about all the say you have in it is as one member of the Cabinet; is that not true?

Secretary ANDERSON. Yes, I would say that is true.

Senator MALONE. If you are overruled or whatever the ruling of the Cabinet or the President on policy that costs money, then your sole job is to pay the bills. is it not?

Secretary ANDERSON. Certainly the responsibility of the Treasury to meet the obligations of the Government exists.

Senator MALONE. Well, isn't that what you are for?

Secretary ANDERSON. Yes.

Senator MALONE. Therefore, you have very little to do with the policy that spends the money but when it—after it is committed, Congress appropriates it—then you just have to tell them how to get it, that is about it; is that correct?

Secretary ANDERSON. That is correct, sir.

Senator MALONE. So far as the people are concerned, I have been in many States in the last few months, the people are stunned, they are beyond reaction. It has been going on now 24 years, and they do not know what to do. I think the election, though, is going to be a very great disappointment to many of us. There are more than 250 depressed areas in the United States accounting for around 6 million unemployed.

There is a bill in the House to help depressed areas. If it passes it will cost you a little more money. We bring about these depressed areas ourselves.

The State Department has advocated this bill for 15 years, that we remake the industrial map of the United States and the depressed areas as a result of our imports, low-cost labor, then we have the money, the Government money to train workers for other jobs, these working men, and ship them somewhere else, and then make up as near as we can, maybe some help to the stockholders and to the people that we break with the policies.

That is just something that is coming up.

Didn't our inflation start about 1933 and 1934? Didn't it really become accelerated——

Secretary ANDERSON. Senator, my recollection of the movement of the level of costs, prices during that era, is not sufficiently clear to be responsive.

Senator MALONE. Would you supply for the record some kind of a chart as to when this inflation of the dollar, the cheapening of the dollar, really became accelerated for the first time?

Secretary ANDERSON. We will certainly furnish what we have available to the Senator.

Senator MALONE. If you do not have it available, who do you think would have it?

Secretary ANDERSON. I am sure we have all the figures, Senator.

Senator MALONE. I am sure you do, too.

How much inflation has there been in the last 12 to 18 months, say, 2 years, to make it easy?

Secretary ANDERSON. According to our calculations, beginning January 1956, the purchasing power of the dollar, equated to the period 1947–49, I mean 1939, is equal to 100, I beg your pardon——

Senator ANDERSON. Say that again.

Secretary ANDERSON. 1939 equaled 100. The purchasing power of the dollar on January 1956, would be 51.8. On January 1957, it would be 50.3. On January 1958, it would be 48.6.

Senator MALONE. 48.6?

Secretary ANDERSON. In June of 1958, on the same basis, it would be 48.0.

Senator ANDERSON. Forty-eight what?

Secretary ANDERSON. 48.0.

Senator MALONE. Then even according to your figures there is a steadily increasing inflation?

Secretary ANDERSON. There has been a steady decline in purchasing power during this period.

Senator MALONE. Do you have any figures compared to 1933—the 1933 dollar compared to the 1939 dollar?

Secretary ANDERSON. I do not have them with me. I would be glad to get them for the Senator.

Senator MALONE. If you will, I would appreciate it.

(The information referred to is as follows:)

Consumer Price Index and purchasing power of the dollar

	Consumer Price Index (1947–49=100)	Purchasing power of the dollar [1] (calendar year 1939=100)
Year:		
1933	55.3	107.4
1939	59.4	100.0
1940	59.9	99.2
1941	62.9	94.4
1942	69.7	85.2
1943	74.0	80.3
1944	75.2	79.0
1945	76.9	77.2
1946	83.4	71.2
1947	95.5	62.2
1948	102.8	57.8
1949	101.8	58.3
1950	102.8	57.8
1951	111.0	53.5
1952	113.5	52.3
1953	114.4	51.9
1954	114.8	51.7
1955	114.5	51.9
1956	116.2	51.1
1957	120.2	49.4
Recent months:		
1956—January	114.6	51.8
April	114.9	51.7
July	117.0	50.8
October	117.7	50.5
1957—January	118.2	50.3
April	119.3	49.8
July	120.8	49.2
August	121.0	49.1
September	121.1	49.1
October	121.1	49.1
November	121.6	48.8
December	121.6	48.8
1958—January	122.3	48.6
February	122.5	48.5
March	123.3	48.2
April	123.5	48.1
May	123.6	48.1
June	123.7	48.0

[1] As measured by the BLS Consumer Price Index.

Senator MALONE. Now, it depresses me to read the papers, and I brought them with me this morning on my way up and I took a little look at them. Who is it who makes these commitments all over the world that Congress then receives legislation to fulfill, and then you have the responsibility to get the money? Who is making these commitments all over the world, moneywise?

Secretary ANDERSON. Senator, I would assume that there are some commitments made by a variety of departments.

Senator MALONE. By what?

Secretary ANDERSON. By a variety of the departments of the Government, primarily in the——

Senator MALONE. Who are the principal ones?

Secretary ANDERSON. Primarily the State Department and the Defense Department.

Senator MALONE. The State Department is a spearhead. I think Mr. Dulles testified that he was the one who carried out the policy, discussed it with other members of the Cabinet, and then he was the one who went into the nations and promised the money and all. Who is it that promises these trade con-

cessions; is that the Department of Commerce, or who is that?

Secretary ANDERSON. I think the State Department is the American representative, Senator.

Senator MALONE. I notice in the paper this morning, that "United States Aid Assures Canada on Trade."

"Chief of foreign commerce predicts easier customs in Toronto talk," and goes on to say, "The imposition of import limitations on Canadian oil, Mr. Macy said," Loring K. Macy. I crossed his trail once before on another matter. I think it was Mr. Loring K. Macy when we got a man by the name of Lee who was one of the finest traders we were able to find out of the Department of Commerce about 1948, and we had him up as a witness, but Mr. Macy said that they need not worry about this. It would not hurt Canada, our limitations on Canadian oil, he went on to say. The purport of the article is they need not worry, we would take care of everything.

We have in the Wall Street Journal, that great journal of New York, the bible, you know, the bible of economy, "United States Allies Ease Curbs on Trade with Red Nations.

"Weeks Doesn't Spell Out Items; Machine Tools, Oil Tankers Probably on List."

In my visit to Russia in 1955, I traveled 14,000 miles there in each of the Socialist Republics, as they call them, I found a good deal of machinery from Cincinnati and various places, but they were making a play then that they were limited to certain items. I had the list, I got it in Paris, but of course those items are reaching Russia and Communist China at the same time. Now they are coming out into the open, and I just thought it might be of interest to the committee that the nation that we are building up to fight us—that probably they need that machinery. If we are going to fight them, we will want to make it as fair as we can. We don't want to pick on any cripples.

What effect does it have, when the Federal Reserve Board raises the discount rate to 2 percent from 1¾ percent? What is the effect?

Secretary ANDERSON. Well, of course the effect will be that the area where it is applicable, which is the San Francisco area, that commercial banks borrowing from the Federal Reserve Bank will pay a quarter of 1 percent more interest.

Senator MALONE. What is the effect on the customer? I mean the ordinary guy out there in Wellington, Nev., or up in Vermont, who does not know anything about the Federal Reserve Board. He just wants to finance his business.

Secretary ANDERSON. It would be difficult for me to give an answer as to how quickly or whether the banks will transfer it.

Senator MALONE. What has it done for him? What is the effect of it?

Secretary ANDERSON. Well, obviously it is done with the idea of placing some measure of restraint upon borrowings as represented by the increase in the rediscount rate.

Senator MALONE. They have the ability to do that. How much of a leeway does the Federal Reserve Board have on the discount rate? How low could they go and how high could they go?

Secretary ANDERSON. There may be a limit as to how high they can go. I frankly am unaware of any limitation.

Senator MALONE. Could you furnish that for the record? You couldn't remember all about it.

Secretary ANDERSON. Yes.

(The information referred to is as follows:)

"The Federal Reserve Act provides that any Federal Reserve bank may establish from time to time, subject to review and determination by the Board of Governors of the Federal Reserve System, rates of discount to be charged by the Federal Reserve bank for each class of paper, which shall be fixed with a view of accommodating commerce and business. No mention is made of how high the rates could be set, but the rates are set with the view of accommodating commerce and business."

Secretary ANDERSON. The process, as the Senator knows, is normally for the board of directors of the respective banks in the Federal Reserve districts to make a recommendation to the Federal Reserve Board in Washington that the rate be increased, and the Board itself then——

Senator MALONE. As a restraint, then, on business.

Secretary ANDERSON. Well, as some restraint on the borrowings by commercial banks from the central banks.

Senator MALONE. Of course that means the customers, it is handed on to the customer.

Secretary ANDERSON. Ultimately it would have that effect.

Senator MALONE. Isn't that what it is for? If they are extending too much credit in the bay area and they want to slacken that up or they think they can stand that much interest, then they regulate it, isn't that the purpose of it?

Secretary ANDERSON. Yes. But I would say this is more of a signal, when the increase is up a quarter of 1 percent, that there is a belief on the part of the Board of Directors of the Federal Reserve Bank of San Francisco that there should be an added restraint on borrowings.

Senator MALONE. Yes.

Now then, a business that goes into business and they can pay 1 percent or whatever the discount rate is at the moment, or pay 2 percent, whatever it is, and they go into business on that basis and have to refinance on a higher rate, what effect does that have on a business?

Secretary ANDERSON. Well, I would assume that the Senator is meaning if you went into a business and calculated your return on one rate of interest——

Senator MALONE. Yes.

Secretary ANDERSON. And thereafter you were required to refinance at a higher rate of interest, that there would be a diminution of profit.

Senator MALONE. And maybe a disappearance of profit.

Secretary ANDERSON. Yes; I think——

Senator MALONE. And maybe a failure of business.

Secretary ANDERSON. I think one must keep in mind these interest payments are tax deductible and therefore the measure of the effect of it would be the necessary cost after taxes.

Senator MALONE. Which is very little these days at best, is that about right?

Secretary ANDERSON. Yes, sir.

Senator MALONE. Now, then, I see that the "U. S. Offers Prospects of Easing Water Lack if Arabs Accept Aid Plan. Officials Privately Talk of Help From the Atom, Scientists and American Capital."

American capital is what interests me. Who made that commitment?

Secretary ANDERSON. Senator, the only thing I can say on that subject is to refer the Senator to the speech the President made at the General Assembly, and other than that, I would not be in position to know any details about it.

Senator MALONE. Anyway, if they send this aid over there, all you have to do is pay the bill. You do not know anything about it; anyway, you are not responsible for it. You just pay the bill.

Secretary ANDERSON. Well, all the commitments or charges that are made by any of the Departments of Government ultimately find their way to the Treasury and we have to pay them.

Senator MALONE. You are ultimately the fall guy. You have to come up here and face the music. That is why we feel the way we do about you this morning. I have been in Arabia, been in a private plane, and flew all over in 1947. That is a pretty big order, to ease the water supply in Arabia. It sounds good on paper; a good deal like building the dam for Nasser on the Nile. I have been up the Nile, too. I suppose you have.

I see Mr. Dulles, according to the Wall Street Journal of August 15, that is today, "Dulles Battles at U. N. To Save Mideast Program; Arabs Are Skeptical of Aid Plan," of furnishing water, I suppose. We used to fly a hundred miles there and just see a camel and a goat and a man and woman and a little boy or something, you know. We would be up there 700 feet high, and 50 or 60 miles further you would see another little unit. They milk the goat and make cheese out of it, they told me is how they live, and some dried dates. If you had a well every little bit, I suppose that is what they have in mind. The Arabs live there and they are skeptical.

These headlines bother me.

On curbing inflation——

Secretary ANDERSON. As I indicated before, Senator, this particular move of the Federal Reserve System is a signal toward a restraint on borrowing.

Senator MALONE. They think if they borrow to much money it might be more inflation?

Secretary ANDERSON. I think it should be said so far as I know there is very little borrowing at this moment by the commercial banks from the Federal Reserve. The free reserves have been relatively high in the country.

Senator MALONE. But in any case it is going to cost them a quarter percent more today than it did yesterday.

Secretary ANDERSON. When they borrow.

Senator MALONE. I see, too, "Tunisia Will Get United States, British Arms." Tunisia, is that the place which has been a colony of France for a good many years, where they have all that trouble in there?

Secretary ANDERSON. I think probably the Senator refers perhaps to Algeria.

Senator MALONE. Tunisia, it says. "Move To Strengthen Nation Against Algerian Rebels Approved by French."

Secretary ANDERSON. Tunisia, of course, is the country of which Mr. Bourguiba is President, and I think the Senator is probably referring in his question relative to France to the Algerian situation.

Senator MALONE. We have already given them the arms and the newspapers carried the story pretty liberally that the sidearms and arms they are using on the Algerians we have already furnished the French; that is true, is it not?

Now, we are furnishing arms to Tunisia to fight off the Algerians.

Secretary ANDERSON. I have not had the privilege of reading the article.

Senator MALONE. I understand that. You have to read them every morning to get as mad as I get.

I see that "Paris Sets Rules for Algeria Vote." They are going to vote on something that the French will let them have and they set the rules. That sounded very interesting.

The New York Times has an editorial this morning, "A New Hemispheric Policy."

"The announcement in Washington on Tuesday that the United States is now willing to join an Inter-American Development Institution has great significance for the hemisphere. Moreover, it is startling news, for it represents a basic change in thinking in the executive branch of the Government.

"This is one more important result of the shock administered to the Government by Vice President NIXON'S South American trip last May. Since then the President's brother, Milton Eisenhower, has made his swing around Central America and Secretary Dulles has visited Rio de Janeiro. Both re-

turned with reports that seem to have reinforced the deductions from Mr. NIXON'S experience."

The upshot of the editorial is that we have a new bank coming up, is that right?

Secretary ANDERSON. The United States has indicated its willingness to engage in the establishment of an Inter-American financing institution.

Senator MALONE. What does that mean from our standpoint, who puts up the money?

Secretary ANDERSON. Well, certainly this country would be a participant.

Senator MALONE. Will put up the money?

Secretary ANDERSON. Would be a participant.

Senator MALONE. About like 1 horse and 1 rabbit.

Secretary ANDERSON. Senator, I do not know.

Senator MALONE. I do not want to force an answer because you are only one member of that Cabinet.

I see by the Washington Post that "Curbs Eased On Red Trade," and it goes on to say that "The United States yesterday announced changes in its export policy allowing substantially more United States goods to go to Iron Curtain countries," which of course is very interesting. It has been going there ever since World War II. The committee here of Congress, of the Senate, uncovered the fact that they had been sending copper to Russia here during World War II, or in Korea, during Korea.

Wasn't Britain the first to recognize Red China? At least it led the way.

Secretary ANDERSON. You mean of the Western Powers? I do not know, my memory is not such that I can give it.

Senator MALONE. I will supply it for the record. It was. In my opinion, I said on the Senate floor at that time we had promised to follow them but we raised so much trouble over here they didn't do it at once.

Then the Post also says, "British, United States To Let Tunis Have Arms," and then, "Ike's Plan Stirs Ire in Mideast; Nehru Is Critical." Mr. Nehru, that great capitalist in New Delhi. I visited him about 4½ hours.

We got along fine because there was nothing that I told him that he had heard before.

Now, Mr. Secretary, I want to say to the chairman of our committee, the distinguished Senator from Virginia, I think we have the wrong man here this morning. I think I have read the headlines of only one morning, and every morning it will just scare every American who is asked to read the papers, either Dulles or somebody has promised more money or another bank we are going to finance or more free trade, I think we ought to have Mr. Dulles here before we pass on this thing just to find out what basis he is doing this on because our Secretary of the Treasury and we all agree I am sure, I am not telling anybody a thing, that we consider him one of the finest men in the Cabinet, all they do, it just filters down to him and down to him to take the rap and he is such a fine man he generally gets what he asks for and if we could get to the bottom of this and if we are getting Mr. Dulles, we are getting pretty close to it.

We did have another man doing this sort of thing at random and that was—who was the fellow who tried to take over Pennsylvania—Mr. Stassen. He was running wild 4 or 5 years. At least we have got it cut down to only one man now in all this business.

Mr. Stassen is a fine man, according to his lights, and has more energy than any human being I ever saw, but at least we have got it cut down to one man.

Don't you think, Mr. Secretary, it would be a good idea for this committee to hear Mr. Dulles to see just about how far we are going in the red?

Secretary ANDERSON. Frankly, Senator, I think that it would not add anything at this time to the calculations which we have made; any commitments that would be made would have to be made under existing appropriations or else they would have to be submitted to the Congress next year.

Senator MALONE. As our distinguished chairman has said, you have $70 billion as a backlog there. He can call on that, can't he?

Secretary ANDERSON. Yes, but the calculations which we have made take into consideration what we judge to be the expenditures.

Senator MALONE. Where is Mr. Dulles today?

Secretary ANDERSON. I do not know, sir, but I would assume in New York.

Senator MALONE. Is there anybody there that he could promise money to?

Secretary ANDERSON. I beg your pardon?

Senator MALONE. Is there anybody there meeting him that he could promise money to? Maybe we do not have the whole story yet.

Secretary ANDERSON. I am sure, sir, that the calculations with which we are concerned are those that take into account the reasonable expenditures which we expect out of existing appropriations between now and next June and I would think any other ones would have to be brought before the Congress.

Senator MALONE. If he promises more money between now and next June and he could take it out of that $70 billion, couldn't he, if he could get the debt limit raised high enough?

Secretary ANDERSON. It could only come out if it were appropriated for the purpose.

Senator MALONE. Well, I do not think—Mr. Chairman, I would like to ask you a question about this: We have a new slant on that $70 billion. I think you have been under the impression, at least I have gathered that, and I depend a lot on your statistics, that this $70 billion is there, as a backlog, it has really been authorized, it is really available any time the Appropriations Committee sets it up, would it not?

The CHAIRMAN. It is appropriated.

Senator MALONE. It is appropriated, and you do not have to do anything. All you have to do is spend it.

Secretary ANDERSON. Yes, that is correct, sir, but what we do in making the estimates which we submitted to the committee is determined from each of the departments of the Government their best judgment as to the rate at which the money is going to be spent.

Senator MALONE. That is true. But Mr. Dulles is unpredictable. All this in the last few days has been promised that I read you, it is in the current papers this morning. Now Mr. Dulles is the fellow who is doing this.

We got rid of Stassen under some condition, I do not remember why he quit, some reason, though, that he quit, and then he went to Pennsylvania, and they wouldn't turn the Treasury over to him so I guess he is going to work.

It is kind of hard on him to do that now. But Mr. Dulles has not gone to work yet. He is spending money. He is committing it all over the world, and when he goes into a place he has two things to buy these agreements with, and, Mr. Secretary, I have to tell you I have been in all these nations and I do not say I know all about them, but I know some of the people and they will sign anything as long as we pay for it with no idea of keeping it at all and I do not blame them.

So when he has the taxpayers' money, within the billions, to say to the Arabs, "Now if you will just keep quiet another year, and not cause us too much trouble, we will furnish the water for the Sahara Desert," that is quite a promise, but they might keep quiet for a year, if you show them a billion or two dollars. He has promised that.

Then he can also make further trade agreements and give more of the lifeblood of this Nation to buy agreements. All this was debated on the floor, all of it was asked Mr. Dulles and he said "Yes" to every one of them.

Senator DOUGLAS. Mr. Chairman——

Senator MALONE. I am going to finish, if you don't mind, and I do not interrupt you.

Senator DOUGLAS. I beg your pardon.

Senator MALONE. What I am getting at, Mr. Chairman, we just have the wrong man here. You know Congress is not going to turn this man down, he is just too fine a fellow for that, because he has come up here and said, "Now here are the commitments that the Secretary has made." He didn't mention it to the Secretary. But he is the fellow who is making them, "And I have got to meet the bills," and he is showing you unmistakable evidence he cannot match them, he cannot meet them unless you do this. So far as I am concerned, Mr. Chairman, it could be we could cancel Mr. Dulles' passport by congressional act, and just not give him this $10 billion, and the first thing you know he would be doing this diplomacy on his own account instead of paying for it, and I am in favor of that, and I am not in favor of raising the debt limit.

The CHAIRMAN. I say the Judiciary Committee would have to cancel his passport.

Senator MALONE. That is all right. We might suggest it. We are acquainted with them.

I just want to make this further suggestion: We do not have the money, and it is just like the water in the sink, the more we appropriate to do this thing with and buy them, the less it is worth, and inflation is keeping pretty close tab on the appropriations above the amounts you collect, and you are bleeding the American public white. Our people in Nevada, you are getting over a hundred million dollars—a hundred million dollars from the State of Nevada, around a hundred million dollars in taxes, and there are only 300,000 people there, counting everybody. And they just cannot go much further. The mines are shut down on account of imports, titanium factories are shutting down on account of imports from Japan; 700 men laid off the other day, last 6 months, 1,400 of them in copper at Ely. Lincoln has about 1,500 men working in the whole county in mines, because we are a great tungsten and lead county; Humboldt County, 40 percent of taxable property wiped out. By what? By Mr. Dulles' making all these trips around and promising them to the Arabs and to the European countries, Asiatic countries, and giving it to them in order for them to sign his agreements which no one intends to keep.

When the tug is tightened, Europe is going to be neutral. I have said all I am going to say. I am going to vote against it, and I just love the Secretary of the Treasury, I just think he is one of the finest men I ever knew. It is not his fault. Some way, or another he has got to say "No," and he can say it if he doesn't have any money.

PINCERS PLAN DESTROYING NATION ECONOMICALLY AND POLITICALLY

Mr. MALONE. Mr. President, I stated earlier that there is a preconceived plan—I called it a pincers movement—to destroy this country economically and politically. There are several parts to the pincers plan, but only one part at a time is put before the United States Senate in a separate bill, and no mention is made of all of them.

So we argued in the committee, and then on the floor. Finally it is said, "The administration wants it. Perhaps it will not hurt us very much." So we pass it. But we do not realize that it fits into the entire pincers movement, with the pincers closing on the United States.

ABRAHAM LINCOLN'S WORDS OF WARNING NOTED

Abraham Lincoln had something to say about this at one time. This is what he said, in referring to what he regarded as a preconceived plan:

We cannot absolutely know that all these exact adaptations are the result of preconcert. But when we see a lot of framed timbers, different portions of which we know have been gotten out at different times and places and by different workmen, and when we see these timbers joined together, and see they exactly make the frame of a house or a mill, all the tenons and mortises exactly adapted to their respective places, and not a piece too many or too few—in such a case. we find it impossible not to believe that all worked upon a common plan or draft drawn up before the first blow was struck.

STATUS OF FORCES TREATY DENOUNCED

So we have inflation, preconceived free imports, preconceived billions of dollars to Europe, Asia, and nations in every other part of the world. Everything has been preconceived. We have a preconceived political plan; a preconceived Status of Forces Treaty, under which we utterly desert an American soldier when he leaves these shores. Whenever he commits a crime—and many soldiers do unknowingly, or because of the pressure—then he is tried under the laws of the nation in which the crime was committed.

For example, in the Middle East, where we plan to cure the drought, the water holes are several hundred miles apart. We are sending our soldiers over there. When one of them commits a crime, such as stealing a loaf of bread, under the laws of the foreign country his hand can be cut off.

"Oh, no," it is said, "they would not do that."

WHITE HOUSE DOMINATING LEGISLATIVE BRANCH IN DEFIANCE OF CONSTITUTION

Mr. President, this is a preconceived plan, a preconceived pincers movement, which Congress does not see, because only one thing at a time is put in front of us. For example, tonight, because we want to get home, we will vote for anything in order to get home. We have been treated here for 3 or 4 weeks like a bunch of schoolboys, sitting 12 to 14 hours a day. We have had no time to answer our mail. We have had no time to consider anything. But we must vote this way; we must vote that way. Why? The White House wants it.

I have never read anything in the Constitution of the United States which said that the White House—the executive department—was to run the lgeislative branch. When I went to school, in the grades, I memorized the Constitution of the United States. But I still do not remember anything in it which said that one branch of the Government was to dominate another. I was always taught that the Constitution provided for a separation of powers.

CREATORS OF CONSTITUTION PURPOSELY SEPARATED POWERS

What did those old hedgehogs, Washington, Franklin, Madison, and Hamilton, who wrote the Constitution, say about it? They had been pushed around by experts—kings, queens, and dictators—who attempted to regulate both the national economy and the foreign policy. They said to themselves, "That is not for us. It will never happen here." So they separated the powers. That was what they thought.

That policy was good for 150 years. But suddenly, in 1934, Congress joined together the regulation of the national economy and the fixing of foreign policy, and placed both in the hands of the executive, notwithstanding the fact that article I, section 8, of the Constitution says specifically—and it does not stutter—that Congress—the legislative branch—shall regulate the national economy and shall regulate foreign trade and shall adjust the duties, imposts, and excises which we now call tariffs.

CONGRESS, FLOUTING CONSTITUTION, TRANSFERRED POWERS TO EXECUTIVE

So Congress blithely transferred those powers to the Executive. Congress amended the Constitution without referring the question to the people.

What did George Washington say about such a practice. I will tell Senators what he said. These are not his exact words, but in substance this is what he said. He said if, in fact, the separation of powers is in any way wrong, amend the Constitution in the way set forth in that document. Do not evade it, because while in one case it might be for the good, it is the customary method by which free governments are destroyed.

That is what is being done to us tonight. The United States Government is being destroyed.

PLAN TO DIVIDE UNITED STATES MARKETS, WEALTH, WITH NATIONS OF WORLD PRECONCEIVED

Mr. President, speaking of the preconceived plan, there is little doubt that there is a preconceived plan to divide the wealth, the markets, and the cash of this Nation among the nations of the world, and to make us dependent upon foreign nations across major oceans for the critical minerals and materials without which we cannot fight a war or live in peace. Congress yesterday rejected a mineral bill which would have let the mines survive. That is all it would have done. No special legislation would have been needed if the Constitution of the United States had been let alone. But that was not done.

CONGRESS YIELDS TO PRESIDENT POWER TO REGULATE ECONOMY FOR 4 MORE YEARS

A few weeks ago we rushed madly to extend foreign aid for 4 years. For what? What did we extend? The power to regulate foreign trade and to set the duties, imposts, and excises, in effect to regulate the national economy. We gave that power to the President of the United States for another 4 years. He does not have to consider anybody. He does not have to consider or consult with a Representative or a Senator. He does not have to ask anybody about it.

When the agent of Congress, the Tariff Commission, is asked to determine what is the danger to an industry of the lowering of a tariff, the President of the United States can bypass the Commission without asking anybody.

Oh, yes; there is a provision that two-thirds of each House of Congress can stop the President from acting. But Senators know how much chance we have to get two-thirds of either House to stop the President from doing anything. Members of Congress are afraid the President might be against them in a reelection contest or something of that nature.

POOR AND RICH ALIKE TAXED TO BUY WORTHLESS TREATIES WITH FAITHLESS FOREIGN POWERS

Mr. President, we have tied everything together and have turned it over to the President of the United States. But that is only one part of the pincer movement. That is all it is. That is the Marxist angle. It is one part of the movement to divide the wealth of the United States. Through that act, there will be a division not only of the markets, but also of the capital of the United States. We are taxing the last little stenographer in San Diego until she is bled white. To do what? To buy a treaty with some foreign nation in Asia or Europe, a nation which has no more intention of keeping faith with the treaty than the man in the moon. They will give us lipservice so long as we give them money. How are we going to get out of debt? For 24 years we have been giving them money.

We will give Mr. Tito, of Yugoslavia, $3 million. He is a little short of "dough." He is nodding in our direction for a little while, until after he gets the money.

FOREIGN-AID FUNDS FINANCING FOREIGN COLONIALISM

We buy arms, and then give money and arms to France to enable France to try to hold large parts of North Africa in colonial subjugation. Mr. President, I have said 50 times on the floor of the Senate that I have no objection to having any nation do whatever it may wish to do—whether it be France, England, or Belgium—even if it wishes to dominate another nation. That is its business. But when we are sending our funds and arms to those countries, we have a right to examine the situation and to see where it is headed.

I have stated where I think it is headed. I have said before that colonialism is dead; it cannot be continued.

In connection with this situation, Russia has the advantage, because Russia is opposed to colonialism for the other nations than herself. As a result, the little nations that want independence are friendly to Russia.

We have control of the oil in the Middle East. However, I wish to point out that it matters not how colonialism is exercised; it is still colonialism. So, Mr. President, as a result of that situation, we are being hurt.

MILITARY COSTS CUMULATIVE

The United States is living on a war economy. As I have previously stated, the Congress has voted appropriations in excess of $40 billion for military purposes for the current fiscal year; and, in the next fiscal year, no doubt the Congress will vote an additional $60 billion for the same purpose.

In that respect, we are like a "two-bottle man." Finally, he gets up to consuming two bottles a day. Then, some morning, he feels a little worse, so he takes an extra pint, to carry him over the next 24 hours.

That is similar to what we are doing; we are living off our economy, we are eating it up; and Congress does not have the guts to stop it.

INFLATION SEEDS SOWN IN 1933

In 1933, the United States followed Britain off the gold standard, and adopted a managed currency, which could only result in inflation and in pricing the United States industries and manufacturing companies out of the world markets.

Mr. President, do you know what the Chairman of the Federal Reserve Board told the Senate Finance Committee, which has under investigation the economy of the Nation? Incidentally, let me say that I hope the committee continues the investigation; I think it will be the biggest thing ever done in this country.

Under my questioning, the Chairman of the Federal Reserve Board said he could fix the margin for payments on purchases of securities on the stock exchange at 100 percent or 1 percent or nothing; and today he is doing that very thing. What effect does that have? It determines the flow of purchases of stock on the stock exchange.

FLOW OF PRINTED MONEY TURNED ON AND OFF LIKE WATER TAP

He testified—and his testimony is in the record, although I do not expect anyone else ever to read it—that he thinks business in the United States needs more money in circulation, either next year or 12 years from now, or if he thinks the country needs less money in circulation, he can arrange that; he has the power either to have more money printed, so to speak, or to reduce the amount of money in circulation. That is what he testified.

So, Mr. President, the stock exchange transactions no longer mean anything. In times past, if the stock exchange was permitted to operate without governmental control—whether the margin was 50 percent or 75 percent or 10 percent or 1 percent—at least it was a gage of the economy of the Nation, a gage as to who wished to buy what stock.

But it is a different situation when one man, the head of a board of 7 members, can say, "You must put up 1 percent margin or 75 percent margin". A short time ago he changed the margin requirement to 75 percent; and the result was that the stock market went down. Of course it did, because not many persons who wanted to buy stock could put up that much money.

MANAGED ECONOMY RUSE LIKE BLOWING ON THERMOMETER

It is like blowing on a thermometer. When the temperature outdoors is 10° below zero, if a person stands beside a thermometer, outdoors, and blows on the thermometer, soon the thermometer will register close to 80°, and then he will say, "Why, it is warm out here." The trouble is, Mr. President, he freezes to death while he is blowing on the thermometer.

So the economy of the Nation is being destroyed while those in Washington are self-satisfied and well fed.

WASHINGTON A SMALL BUT DIFFERENT AND DANGEROUS WORLD

Mr. President, the people of the United States are waking up—unfortunately for many persons. On the Potomac River there is a sound barrier, through which no public sentiment ever penetrates. If a Member of Congress is in Washington for 60 days and, during that period, does not return home, where the boys are working with their hands, and are bleeding them white, all in the effort to pay their taxes and be able to feed thir families; if a Member of Congress does not listen to them, he thinks that what he hears in Washington constitutes public sentiment. That is what happens to Members of Congress, who are entertained by ambassadors and many other fine, well-to-do people. All those people have plenty to eat and plenty to wear. It is a different world in Washington, and it is a dangerous world.

MULTI-BILLION-DOLLAR INCREASE IN DEBT LIMIT FORERUNNER OF OTHER HIKES TO COME

The proposal before the Senate tonight will undoubtedly be passed by acclamation, for Senators are tired, and they are in a hurry to return home. Those who are weary and anxious to return home find it easy to ask, "What does another $8 billion increase in the debt ceiling amount to? After all, by spring the administration will be asking for still another increase in the debt limit."

All this request means, Mr. President, is that, once the requested authority is provided by Congress, it will be necessary to raise wages, pensions, and social security payments.

NINETEEN HUNDRED AND THIRTY-FOUR DOLLAR SHRINKS TO 33 CENTS AND STILL GOING DOWN

We should consider the value of the dollar in 1934. At that time it was worth 100 cents. But by 1948, it was worth only 48 cents. And in 1958, it is worth approximately 33 cents. So a man who was making $5 a day in 1934 must make $15 a day today, in order to be able to eat and to provide food for his family and to be able to send his children to school.

Now the Senate, by acclamation, is about to raise the ceiling on the debt limit by $8 billion; and undoubtedly that will be done without a record vote.

Mr. President, in the Senate Finance Committee, the only vote that is recorded is mine; but I assure Senators that mine is recorded. It was recorded there last spring, too; and I am proud of it.

All I say is that when what I predict occurs, I want my recorded vote to be examined.

Mr. President, I do not know how to keep Congress from spending this money, or how to prevent Mr. Dulles from spending $300 million every time his plane touches the ground—except to make it impossible for him to touch any money. [Laughter.]

PRESIDENT CAN NOW TRADE AWAY ANY INDUSTRY IN NATION TO FURTHER HIS FOREIGN POLICY

Never before in the history of the United States did the Government give the Secretary of State the right to buy the signature of a foreign country to a treaty. But today the President can trade a part or all of any industry, in order to further his foreign policy; and he does not have to ask Members of Congress who represent the 48 sovereign States; he does not have to ask Senators; he does not have to ask Members of the House of Representatives; he does not have to ask anyone. He can ignore the findings of the Tariff Commission, which determines what should be the tariff or duty, on the basis of fair and reasonable competition—in other words, on the difference between the factory wages and the cost of doing business and the taxes paid in this country and the comparable costs in each foreign country, in the case of each product. The latter is the system our country followed for 150 years. But today all that is utterly ignored.

CONGRESS BUYING BANKRUPTCY, NOT PEACE

So the Members of Congress tell their constituents, "We are buying peace." But, Mr. President, far from that, what we are actually buying is bankruptcy. A country that is bankrupt cannot whip anyone. The destruction of the United States economically will be the most dangerous kind of destruction; and the Members of Congress are voting for it every day.

UNITED STATES BEING "SOLD DOWN THE RIVER" THROUGH GATT

Mr. President, what do we have in Geneva today? In 1947 the President—not satisfied with having, entirely at his own choice and discretion, traded the United States down the river—doing so by means of his negotiations with foreign nations, in order to obtain their signatures to a treaty which no country except the United States intends to keep—organized what is called the General Agreement on Tariffs and Trade. Thirty-seven nations are signatories to that organization and to that method of doing business. The United States has but 1 vote among the total of 37. Thirty-six other nations, the foreign competitors of the United States, have their representatives sitting at Geneva, where they divide among themselves the remainder of our markets; and all that is done under laws passed by the Senate and the House of Representatives of the Congress of the United States.

"RECIPROCAL TRADE" A MYTH AS OTHER NATIONS BAR UNITED STATES GOODS

I cannot believe they understand what they are doing. Why this method of reciprocity? The two words "reciprocal trade" never occurred in the act in the beginning, and they are not there now. Of course, it is not reciprocal. Every other nation in the world has tariffs. Other nations have import permits. They have exchange permits. It is im-

possible to import into a foreign country a product which that country itself manufactures.

Do Senators have any idea what it costs to get an automobile into England—that great sponsor of free trade? It costs 55 percent of the cost of the automobile. Foreign companies cannot import automobiles into England. So American corporations own the companies which are making small cars. This may not be the time to go into that subject. It is a subject for another discussion.

TAXPAYERS' MONEY USED TO MAKE UP DIFFERENCE BETWEEN UNITED STATES COSTS AND WORLD PRICE

Mr. President, do you know what the whole plan spells? It means inflation. It means pricing ourselves out of every market in the world. We use the taxpayers' money to make up the difference between the cost of manufacturing a product in this country and the world price of that product. Free imports result in putting the American workingman and the American investor in direct competition with the low-cost, sweatshop labor of the world, where often the cost of wages paid in those countries does not amount to the cost of industrial insurance and social-security taxes paid in this country.

Our American corporations are going abroad in droves. Since World War II more than $50 billion have been invested in foreign countries. American corporations are going into those nations and establishing plants to furnish the market there, because it is the only way their products can be sold in those countries. Such a policy would result in putting American laboring men out of work and on the streets, except for the fact that we are operating on a war economy.

SQUANDERING OF TAXPAYERS' MONEY ON FOREIGN COUNTRIES UNCONSTITUTIONAL

The money of the American taxpayers is distributed all over the world. Nobody knows where it goes or what is done with the money. The officials who handle such money do not know, either.

So what have we done, Mr. President? We have departed entirely from the Constitution of the United States. Of course, it is in violation of the Constitution to distribute the money of American taxpayers all over the world. It is alleged that we are buying peace. Take a look at what we have bought in the past few months. That is all one has to look at. As time goes on there will be more evidence of what we are buying. We are buying bankruptcy.

NATION'S NEED IS STATESMEN TO STAND UP FOR AMERICA

We are headed toward a world government so fast that it should scare one to death. There is propaganda for it all over the United States. The question is asked, "What is Khrushchev going to do?" Khrushchev has this. Khrushchev has that. What is Khrushchev going to do? Who gives a damn what Khrushchev is going to do? Let us protect the United States of America. Let us keep ourselves in such a posture that we do not have to care what anybody else does. But we are not doing it. Khrushchev is as tough as a boot. I know him. He is for Russia. That is what Dulles does not understand. He does not understand how anybody can be for his own country. Mr. Khrushchev is for Russia, and Mr. Churchill is for England. What we need is to develop a few people who are for the United States of America—and quickly, too.

This country in the present century has gone to war three different times. Why? For two reasons. I remember the little old war I took a small part in, in which we used French 75's and a few other weapons. President Wilson stated that if Germany controlled Europe, we would be lost. He also stated that, of course, we had to protect nations across major oceans so that we would be able to get materials, without which we were helpless, and that we had no other place to get them. Both of those statements are as phony as a $3 bill.

When I used to get an opportunity to go to bed during that war, which was not often, but when we would settle down for a day or two, I used to wonder why the Germans were so dangerous to us across the ocean when they could not get across the English Channel. That was a pretty awkward question. It would take a pretty big bite to believe that allegation.

UNITED STATES CAN BE SELF-SUFFICIENT IN CRITICAL STRATEGIC MATERIALS

I did not know whether President Wilson was right about his statement relating to strategic and critical materials. I had to come to the United States Senate to find out. I made an industrial report on 11 Western States, Alaska, Hawaii, and the Philippine Islands, showing how we could be self-sufficient in strategic and critical materials.

I used to think that Congress was looking for the facts. I had to come to Congress to find out that is not so. But there are two reports I have made since I have been a Member of Congress. The Interior and Insular Affairs Committee made those reports. I recommend a reading of them to Senators and Representatives. One is a report on the accessibility of critical materials to the United States in wartime. The other report is a breakdown of the economy of each government, so it can be plainly seen how those countries trade, and how they manipulate the value of their currency in terms of the dollar. These reports are free.

SENATE REPORTS REFUTE THEORY MUST CROSS OCEANS TO OBTAIN DEFENSE MATERIALS

Only recently Dr. Eisenhower discovered South America, and the Vice President discovered South America. I recommend those two reports for study. The study repudiates the statements made by Mr. Wilson, Mr. Roosevelt, and Mr. Truman. It was said we had to protect nations across major oceans in order to get strategic and critical materials, without which we could not fight a war or live in peace. But that simply is not true.

The report was handed to some top officials in 1954, in the 83d Congress. No one has denied the proof of the document, and I will discredit anybody on the Senate floor who denies it. We do not have to have anything for war or peace that has to come through the Suez Canal. No longer is it said we have to have those materials for ourselves; now it is said we have to protect the supply of oil for Europe. It has come to that.

I first came to the Senate in 1947. As soon as I became a Member of Congress, I took off for Europe. I went into the Ruhr, where the coal mines and the steel mills are, and to Frankfurt, where the chemical industry is. I was earnest. My heart showed in my face. I just wanted to find out. I found out, all right.

EUROPEAN COAL OPERATIONS DESCRIBED

In 1947, if Senators will read the record, they will find it was said it wanted to increase production. I am here to tell Senators that they wanted to cut down production. And they did so. The coal mines are 2,000 feet down, with 4 shafts, with very fast lifts. About 1,500 or 2,000 feet back from the shaft was an automatic loader, with a 3½-ton truck, that I saw. It loaded automatically. Nobody touched it. It would go out, would go up, would dump and come back, and nobody would touch it.

The German workman was with me. He talked a little broken English. There the coal seam has about a 3- or 4-foot depth. The seams are not like ours, which are 7 or 8 feet.

A few yards away from where we were the loader had a 10- or 12-foot ceiling. I said, "Show me one of the new faces where you are mining." So we followed the mine shaft out to the new part of the mine. We got down on our knees, where it was finally 3 or 4 feet high. It was a wet mine. There was about an inch of water in it. We were crawling in the water. We got over to the place where he showed me a new 6-foot coal cutter, cutting the coal out. I had never seen a coal cutter before. We had no coal in our part of the country.

The coal was going down on a steel conveyor shaft. It was a shaker conveyor. The conveyor belts were 30 or 40 feet in length. The conveyor belt took the coal over to the next level and out to where the self-loader was. Nobody ever touched it. I said to this German worker, "I do not see anything wrong with your system. Out in Nevada, in the West, when we want to increase mining production we open up new faces, if we have them. You have them here. Why do you not open them up?" In his broken way he said, "We would like to, but the only factory in Germany that makes coal cutters is on the reparations list."

SENATOR PREDICTS ENGLAND AND FRANCE TO REMAIN IN OCCUPIED ZONES IN GERMANY

Senators can put that together. Take it one thing at a time. It is like a watch factory. We want to cut only 10 percent, but in the 10 percent we cut out the thing without which the watch will not work.

I could tell Senators much more about this subject. It does not sound good, but that is it.

I say to Senators that England and France will never move out of Germany. They are afraid of Germany politically, tradewise, and militarily. They are correct, too. They should be afraid, because the Germans will fight and they will work. We keep them down on the ground. We utterly destroyed them twice in our lifetime. It is the only nation which could hold Russia in check, and we will not let the Germans up.

REVIVED GERMANY WOULD CHECK RUSSIA

We hear that we are building up Germany. We are not building up Germany; we are holding Germany down. If we built her up for 3 years and turned them loose we could forget about Russia.

The plan we are following—the 3 or 4 things I have mentioned—constitutes what? It constitutes international socialism at its worst. I do not think there is a Socialist on the Senate floor, but we are voting for this plan. We are reducing the standard of living in America. One cannot live and pay the wages necessary without a war economy today.

If Mr. Khrushchev is half as smart as I think he is, it will not be long before somebody invites him over here. As I told Senators before, he is tough as a boot, and, believe me, he is for Russia. That is what kills us. We cannot understand anybody who is for his own country.

COEXISTENCE WITH RUSSIA WOULD BE FATAL TO ECONOMY

Khrushchev will walk to to our President and shake hands with him, if he is half as smart as I think he is, and he will say, "Mr. President, there is only one nation in the Western Hemisphere that can fight its way out of a paper bag; that is your Nation. There is only one nation in the Eastern Hemisphere that can fight its way out of a paper bag, and that is ours. Let us stop all this foolishness. You come over and take a look at our country and we will come over and take a look at yours. And we will quit this foolishness."

We could not accept that. We would be broke in 60 days. We would be economically destroyed. But Khrushchev would not be. Economic destruction is final in this business.

Let me tell Senators something further. If we have a severe depression now—and we are riding for one; do not make any mistake about it, since we are living on a war economy—we shall be in trouble. We have given all of our markets away and priced ourselves out of the world market. If we have a serious economic dip we shall see what will happen.

LOSS OF AMERICAN MARKET TO AMERICANS AMONG GRAVEST DANGERS

Let the workingmen and the American investors look around, and if they see they have lost the American market we shall be in trouble. We had that market for 150 years. Whenever we needed anything, it came in at our level of living standard. We had the American market. The American businessmen competed for the American market on an even basis. The Americans took the depressions in stride, because they had the American market. That is the only market in the world which amounts to anything.

If we let the workingmen and the businessmen wake up to a depression, with 10 million or 15 million on the street instead of 6 million, with 269 depressed areas, such as there are today, and if they look around to find they do not have the American market and have been priced out of the world market, do Senators know what might happen? We could easily wake up with the kind of government we think we are fighting. It would not take long.

AMERICAN CURRENCY NO LONGER STABLE

Mr. President, what do we have? We have no stable currency. We have no bottom to the currency. We have no top to the currency. We are simply printing currency whenever we need it. We are going to print $8 billion more because we say we need it.

We have divided up the American markets with the nations of the world. Soon we shall have nothing. We are taking the taxpayers' money every day of the year to spend throughout the world. If we handled a private business for 60 days as we have handled this business for 24 years the business would be destroyed. In a private business a private individual will go broke when his bank quits him, and the bank will quit him pretty quickly if he acts as we are acting in treating this Government. But a government is not broke until the money it prints has no value. We are riding for such a fall as fast as God Almighty will let us.

UNITED STATES GOLD SUPPLY DISAPPEARING

Mr. President, it might be well to mention tonight that we started in 1934 with more than $22 billion in the vaults which belonged to the United States. Tonight we have less than $5.7 billion to call our own. How did we get in that condition? The money we gave to the foreign nations, in greenbacks, can be used to buy gold. They can use that money for credit in the gold reserves, and they are doing it.

FOREIGN CLAIMS ON UNITED STATES GOLD PERIL RESERVES

When we work we earn a little old greenback, and we are not permitted to buy gold. We are not trusted with gold.

The previous Secretary of the Treasury, of whom I was very fond—I am now fond of him, too, for I think he is a good lawyer and a good businessman and is smart—was asked about this matter. I asked him about it. I said, "George, I am very fond of you. This thing is bigger than George Malone or George Humphrey. Let us make a record." We took 3 days at it. He became a little impatient at times, and so did I. I said, "You can either answer or we can stay here until midnight; it is all right with me." So he answered.

Then Mr. Martin, who is the Chairman of the Federal Reserve Board, was asked about the subject. I asked him about it.

I said, "Mr. Martin, what would happen if all of these credits to foreign nations, some held by individuals, were transferred to foreign balances, as could easily be done, and they were demanded? What would happen?"

DEPRESSION WARNING CITED

He said, "Payment could be refused if it became dangerous."

I said, "That is very interesting, but, Mr. Chairman, what would happen if we violated our long-established policy of paying trade balances in gold, if we suddenly said, 'We cannot do that.'? What would happen to the dollar on the international exchange?"

He said, "It would be very depressing."

I said, "What would happen to our economy?"

He said, "It could cause a very serious depression."

So we could refuse to do it and we would have a depression. The dollar would be depressed all over the world.

What is the answer? The answer is that if we continue to do it, within another 2 or 3 years we shall not have any gold at all that we can call our own.

RUSSIAN GOLD CIRCULATING IN EUROPE

The Secretary of the Treasury, Mr. Humphrey, testified to the same effect. He said, "They will not demand gold." I forget just the phrase he used. But, of course, that would not happen.

I have news for him. Russia is mining gold. It does not cost Russia $35 an ounce to mine gold. I saw some of their gold mines. I had a map of the places I wanted to see in Russia. I remember the first 5-year plan they had in the late 1920's. I could have gone there myself then, but I was building a firm of engineers in Nevada and I could not go. Some of my friends did go. I know where the Russians built dams and mined gold. Finally, they let me go and see it.

Russia is putting its gold out through Europe, I do not think it is news to any Senator that England and the nations of Europe are trading with Russia and China, led by England. Almost every one of them recognizes Communist China. They expected us to follow, too. Trouble was caused here, and we did not do it. They are building us up, however, to recognize Red China.

UNITED STATES FOREIGN AID BUILDING PLANTS TO SUPPLY RUSSIA, RED CHINA

The point is the European nations are trading with Russia and with China. We have our heads in the clouds in this country. We are too "holier than thou" to do anything. All we do is to give them the money to build their plants. We give them our taxpayers' money to do a job. We raise our debt limit. If we pass the pending bill we will have raised the limit twice this year. Generally, it is only once a year. But when the Treasury representatives came before the Senate Finance Committee last spring we said, "Mr. Secretary, you are coming again before the Congress. Keep it up. That is all you have to do, and you will come again next spring for another debt limit rise."

Three or four organizations are encouraging investments abroad. They are the International Monetary Fund, the International Bank for Reconstruction and Development, and the International Finance Corporation. Now we

are talking about organizing another bank. Every time one turns around there is another outlet for American money, encouraging American capital to move into Europe and to move into Asia. Why? For a long time it has been said we want to raise the standard of living of the workingmen all over the world.

FOREIGN INVESTMENT BUBBLE WILL BURST WHEN REASONABLE TARIFF RESUMES

I have news for the workingmen of America. If they want to raise the standard of living of those people, let them go back to the Constitution of the United States, and let the tariff represent the difference. Very quickly American corporations in these nations and the nations themselves will say to themselves, "The party is over. We cannot make any money on this low-cost labor because America has extended the tariff." We have the only market they want. So they will let their own wages go up and create a market at home. That is the way to help them. Then as they raise their standard of living the tariff will go down.

FREE TRADE HOLDS DOWN FOREIGN WAGES AND INCREASES FOREIGN PROFITS

We would have reverted to the 1930 act this year if we had not extended the so-called Reciprocal Trade Agreements Act. So long as foreign countries can operate under practically free trade conditions, they will hold wages down. They will take what the traffic will bear, and that will represent the profit. No wages will be raised in foreign countries when they can profit under the present tariff, because that would reduce the profit. We have the shoe on the wrong foot, Mr. President.

If we want to know what some of the States think about what we are doing, last year the President called a conference in Salt Lake City of the representatives of 10 Western States, thinking, of course, that everything we were doing in Washington would be approved. But at that regional conference, a Republican regional conference of representatives from 10 Western States, on May 3 and 4, 1957, what did they do? They passed a resolution asking that the 1934 trade agreement, which they laughingly called "reciprocal trade," be allowed to expire. We never heard anything more about the conference. That conference included the States of Arizona, California, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington, and Wyoming, and they unanimously passed a resolution urging the Congress of the United States to allow the 1934 Trade Agreements Act to expire in 1958, this year.

WESTERN REPUBLICANS DENOUNCE GATT TRADE ACT

Mr. President, on the 15th of May, I put the following resolution into the CONGRESSIONAL RECORD:

FOREIGN TRADE AND THE NATIONAL ECONOMY

Whereas 34 foreign, competitive nations are sitting in Geneva, Switzerland, regulating our foreign trade through multilateral trade agreements under the auspices of the General Agreements on Tariffs and Trade; and

Whereas this distribution of our foreign trade between such foreign competitive nations is being carried on under the 1934 Trade Agreements Act, as extended (so-called reciprocal trade); and

Whereas, under this act more than $30 billion of American capital has been invested in such foreign low wage standard of living nations to compete in American labor and investors in the textile, livestock, mining, crockery, glass, precision instrument machine tool, chemical and electrochemical, and several hundred other fields: Therefore be it

Resolved, That the 10 State Republican regional conference, including the States of Arizona, California, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington, and Wyoming urge the Congress to resume its constitutional responsibility of regulating foreign trade and the national economy through the adjustment of the duties, imposts, and excises (art. I, sec. 8) through its agent, the Tariff Commission, and allow the 1934 Trade Agreements Act to expire in June 1958.

YOUNG REPUBLICANS DEMAND TARIFF LEGISLATION REVIEW

Mr. President, the Young Republican National Federation for 1957 and 1958 declared in a resolution:

IMMEDIATE REVIEW OF TARIFF LEGISLATION

We know that behind the shield of our collective defense arrangement, there must be growth and development or that shield will be a paper one. We support the administration in its advocacy of trade policies which promote the interchange of goods to mutual advantage. Under no condition, however, should such an interchange of goods be to the detriment of our American industrial, mining, processing and developing segments of the economy, ending with a resultant loss in operation and income to both employer and employee. Furthermore, we call for an immediate review of tariff legislation to bring relief to hard-hit American industries.

CONGRESS TO RETAIN CONTROL

We believe effective control over foreign trade and the trade agreements program should be retained in the Congress.

That is an expression from two organizations which should be heeded.

GEORGE WASHINGTON'S ADVICE ON FOREIGN FAVORS

I wish to quote from some prominent people who have had a part in the writing of our Constitution. George Washington was one of them. He said:

It is folly for one nation to look for disinterested favors from another. It must pay with a portion of its independence whatever it may accept under that character. It may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more.

He said, further:

There can be no greater error than to expect, or calculate upon real favors from nation to nation.

He also said:

Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice. It is our true policy to steer clear of permanent alliance with any portion of the foreign world.

PROTECTION OF AMERICA WILL DISPEL FEAR OF RUSSIA

George Washington never said we should not have allies in a fight. Every Senator on the floor knows that when a fight starts the people whose interests are common with ours will be allied with us, and the people whose interests are not common will be against us, no matter how much money we put up. We hear a great deal of propaganda about what Khrushchev is going to do. We are asked, "What is he going to do next?"

People are scared to death, at least theoretically. Who cares what Khrushchev is going to do? Let us get ready to take care of the United States of America.

Unless we have the guts to protect our own country and keep it free, the time becomes limited. Fear is being built up in the United States. We can make this hemisphere self-sufficient and produce all the things we need to fight a war or remain at peace. How long we will be able to do it, is something else.

AMERICA MUST MEET AIR AND UNDERSEAS CHALLENGE

We have been reading a great deal in the paper lately about Admiral Rickover. I have known Admiral Rickover for a great many years. I have visited his office. I visited him when he was designing the *Nautilus*. I went to Connecticut 4 years ago to see the launching of that submarine, when it was launched without an engine. That is the submarine that went under the North Pole.

How will we fight the next war? Will we fight it with Marines or with the Navy? We will fight the next war in the air and under the sea. That is how we are going to fight the next war. I do not care what plans are made. If we are not ready to meet the challenge, we will be whipped. That is what they are laying the groundwork for.

There is a great deal of subtle propaganda being put out to the effect that we must join Europe for our own protection, that we must accept a modification of our sovereignty and join a world government, for our own protection. No nation in Europe would be able to fight a war if we did not furnish the weapons. The Nevada Air Corps could whip any one of them.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. LAUSCHE. What air corps did the Senator say?

Mr. MALONE. The Nevada Air Corps. Does the Senator wish to debate the issue? I should be happy to do so.

FOREIGN AID PACTS DESIGNED TO PRESERVE COLONIAL SYSTEM

Some people say that the next war will be fought with foot soldiers, and that we will protect the colonial system with foot soldiers. Mr. President, those people will never submit. Those people are on the move. In 1948 I said on the floor of the Senate that those people would never submit. We debated the Atlantic Pact on the floor of the Senate, and I debated it with Senator Vandenberg. I said to him, "Senator, if we sign that Atlantic Pact, we are guaranteeing the integrity of the colonial system throughout the world."

He said, "Oh, no."

I said, "I will explain it to you."

We are guaranteeing to go to war if any of these nations go to war. How are they going to go to war? To preserve colonialism. Every man, woman and child in America knows it now.

RUSSIANS BUILDING OWN COLONIAL SYSTEM, OPPOSE THOSE OF OTHER NATIONS

That is how they got into war, so that we could rescue them, to protect their colonial system. We cannot protect it. That is why Russia is ahead of us. The Russians are laughing at us. We are trying to hold the colonial system together. The Russians are against anyone else holding a colonial system, even though they may have one of their own. They are against anyone else holding a colonial system, however. We are weakening ourselves economically and militarily in every way.

A prominent member of the military—I forget his name, and although it could be easily found, perhaps it should be forgotten—wrote an article for the Saturday Evening Post about what a great thing the foot soldiers were going to do in the next war. Someone asked me about it. He asked me what I thought about it. I said, "If he was paid for it, it is all right. However, you had better look out, when a great magazine will publish a thing like that. A man like that is supposed to know better."

We send our troops into Lebanon. That is like Russia putting its marines in Cuba. Mr. Bulganin asked me when I visited him in his office, "What would you do if we built an air base in Cuba?" I said to him, "We would bomb the hell out of it," and I grinned.

Of course, I do not know whether, with our present State Department, we would do anything like that.

GEORGE WASHINGTON'S VIEW ON FOREIGN SOURCES OF SUPPLY

Mr. President, George Washington further said:

> Ought our country to remain dependent on foreign supply, precarious because liable to be interrupted? If the necessary article should in this mode cost more in time of peace, will not the security and independence thence form ample compensation?

Meaning, Mr. President, that the material can be gotten cheaper with labor which is paid 20 cents an hour or 50 cents a day, but we have a standard of living to maintain, and there are people who will say that the consumer is entitled to the lower price, meaning that wages should go down and the living standard should go down in this country to meet it.

CONSUMER GETS NO PERMANENT ADVANTAGE FROM LOW-COST IMPORTS

But I have news for those people. The consumer does not get the advantage of the lower price. When production in this country is destroyed, the price charged will be what the traffic will bear. The consumer will not get the advantage. Far from getting the advantage of any lower wages, they will pay whatever the traffic will bear.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. DWORSHAK. The United Press International today carried a dispatch listing 43 Republicans in the House and 6 in the Senate who did not support the President's program for the so-called foreign aid and the misnamed reciprocal trade program. The senior Senator from Nevada is listed as one of the six Republican Senators who probably will not receive the active support of the President, because the Senator from Nevada is not in the some political camp as the distinguished President of the United States.

I ask the Senator from Nevada whether he feels that when he took his oath of office, he had the determination, the courage, and the perseverance to reflect the views of his constituency in Nevada, or whether he thought he was obligated to heed the commands or suggestions of the Chief Executive?

LEGISLATURE NOT SUBORDINATE TO EXECUTIVE OR VICE VERSA

Mr. MALONE. I may say to the distinguished Senator from Idaho that I am very fond of the President of the United States. I consider him to be a personal friend of mine. If he were running for reelection tomorrow, I would be for him.

But nowhere in the Constitution of the United States do I find that after the President has been elected, and after I have been elected, or after the Senate Membership has been elected, or after the Membership of the House has been elected, the President must follow the lead of Congress, or vice versa.

I might relate something about what happened in 1956. I have had the habit of calling the White House about every 2 or 3 months. I have reason to believe I am welcome there, because apparently the next open date is mine, and I go down and talk to the President like a Dutch uncle. I know other persons, like Paul Hoffman, come in and rub me out. But that is all right. I do not hold that against anybody. The President is elected, as I am, and we have our own convictions.

However, in 1956, the President was running for office, but I was not running. One does not often quote what he says to the President of the United States, or what the President says in return. But this happened so long ago—in 1956—that I do not think I am breaching any confidences.

I said, after we had visited for awhile, "Mr. President, this is not the time to take up our differences in foreign trade and our billions to Europe, because if we do not get you reelected, how am I going to continue to argue with you?"

CONSCIENCE DICTATES VOTE

When we are elected to the office of Senator, which is the next highest office to the President of the United States, in my opinion, we think of the office, as the distinguished Senator from Idaho has suggested. We also have a conscience. If we believe something is not good for the United States, we do not vote for it.

If we do, we are not worthy of our oath of office.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield.

Mr. DWORSHAK. The senior Senator from Nevada, throughout his service in the Senate, has demonstrated his independence and his determination to reflect the thinking of the people whom he represents, in part, in this body. I ask the Senator whether there is any dominant sentiment in his State to continue a program which during the past decade has resulted in the channeling abroad of $70 billion of the American taxpayers' dollars, dollars which originally were intended to create good will and to create a bulwark for the economies of the free nations of the world.

The record today shows that the United States has fewer friends throughout the world because we have been showing discrimination in the distribution of our largesse. Actually, many nations in South America and elsewhere, which do not need this financial help, are critical of the United States. They point out that our dollars are being given to nations everywhere, while many of the friendly nations in South America are not receiving handouts.

Does the Senator believe the people of his State want a continuation of programs which are destroying the economic structure of the United States, and which obviously are not strengthening the free nations of the world?

Does the Senator from Nevada bow in subservience to the policies which obviously are not proving to be successful, or does he intend to keep faith with the people who elected him to the Senate by trying to build up the national defense and the preparedness of the United States to withstand Communist aggression, infiltration, and subversion?

Mr. MALONE. I think the United States should withstand aggression from any country, whether it is Russia, England, or any other nation.

LONDON DOMINATING UNITED STATES ECONOMIC FOREIGN POLICY

The United States now, economically and in political direction, is being dominated from London, which represents the colonial theory.

Mr. President, these are the closing hours of the 85th Congress.

In these closing hours, the Senate is being pressed to enact two closely and dangerously related bills.

One would appropriate $3,518,092,000 more taxpayers' dollars to hand over to foreign countries.

The other would increase our permanent debt limit by $3 billion to $283 billion, and add another $5 billion to that to set a so-called temporary debt limit of $288 billion.

Mr. President, in the opinion of the senior Senator from Nevada these two bills are part of a sinister pincers movement.

The purpose of this pincers is to squeeze the lifeblood out of the American economy and to further enslave the American taxpayer.

One arm of the pincers is foreign aid.

The other arm is interest-bearing Federal debt.

The taxpayer is caught between both.

The two arms are connected so that they work together.

The foreign-aid appropriations make it necessary to increase the Federal debt.

The higher the Federal debt, the greater the interest that the Federal Government must pay on it.

The taxpayer must pay out of his pocket every dollar that our Government gives to foreign nations.

The taxpayer must pay out of his pocket every dollar that goes to pay interest on the public debt.

The international WPA that we call foreign aid began in 1947.

It has now cost the American taxpayers $75,598,000,000.

These are direct costs.

During this same period we have been financing the world, the interest alone on the public debt has totaled $73,629,015,000.

This, too, must be paid by the American taxpayer.

Who gets the interest?

It is the big banks and corporations that can afford to invest in interest-bearing Government securities.

Who pays the interest?

The general taxpaying public.

The more billions the Government hands out in foreign aid the more money it has to borrow.

The more money it has to borrow the more it has to pay in interest, and the higher Congress must raise the debt limit.

The higher the debt limit and the higher the interest charges the less possibility is there of ever obtaining any reduction in corporate or individual income taxes.

The American taxpayer is forever caught between the pincers if Congress continues to vote for higher debt limits and foreign aid.

Today our Federal debt is greater than that of all the nations in the world that we are aiding with our dollars put together.

Last year during this debate I included a table showing the government debt of all the important nations this side of the Iron Curtain—27 of them including the United States.

The United States debt was then $280,800,000,000, about what it is now. The debt of all the other nations combined totaled only $153,738,000,000.

The United Kingdom which we have given $7,090,000,000 since the war, had a total debt of $74,200,000,000, or approximately one-fourth of ours.

France, which we have given $5,453,000,000 has a debt of only $16,229,000,000.

Germany, which we have given $3,887,000,000, has a debt of $5,024,000,000.

Italy, which we have given $2,874,000,000, had a debt of $7,233,000,000.

Japan, which we have given $2,502,000,000, had a debt of only $2,601,000,000.

Thailand, which we have given $117 million had a debt of only $353 million.

Burma has only received $23 million in foreign aid but then her total debt was only $140 million.

Pakistan has received $370 million in foreign aid; her total debt was $681 million.

The United States Federal debt, I repeat, is $280 billion and yet we are continually urged to contribute more and more billions each year to countries whose public debt is only a fraction of our own.

I ask unanimous consent, Mr. President, to have printed in the RECORD this list which was prepared last year by the New York Daily News of the debts of the leading nations of the non-Communist world, and regret that it has been brought up to date. However, regardless of how extravagent or wasteful these nations might have been in the last 12 months, it would be impossible for any of them to approach the enormous Federal debt inflicted on our own taxpayers who are being required year after year to support them, as our star boarders.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Debts of the important nations of the world as translated into American dollars and presented in millions:

United States	280,800
Australia	2,930
Belgium-Luxembourg	6,378
Brazil	1,037
Burma	140
Canada	14,546
Chile	74
Colombia	281
Denmark	1,306
France	16,229
Germany	5,024
Greece	295
India	6,408
Israel	506
Italy	7,233
Japan	2,601
Mexico	300
Netherlands	5,423
Norway	1,726
Pakistan	681
Philippines	452
Portugal	486
Sweden	2,803
Thailand	353
Turkey	1,158
United Kingdom	74,200
Venezuela	10

This total does not include those minor nations of the world whose trivial debts (in current money talk) are in the millions—not billions.

Mr. MALONE. Mr. President, the interest alone on our present United States public debt is more than twice as great as the total debt itself in any year prior to 1918.

I ask unanimous consent, Mr. President, to have printed in the RECORD a table showing the public debt of the United States for each year of its history, and the per capita debt for each year in which such data is available, which includes that for each year subsequent to 1850.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Public debt of the United States, 1791 to 1958

Year	Amount	Per capita	Interest
1791	$75,463,000		$2,349,437
1792	77,228,000		3,201,628
1793	80,359,000		2,722,242
1794	78,427,000		3,490,298
1795	80,748,000		3,189,151
1796	83,762,000		3,195,055
1797	82,064,000		3,300,043
1798	79,229,000		3,053,281
1799	78,409,000		3,186,288
1800	82,976,000	$15.63	3,374,705
1801	83,038,000		4,412,913
1802	80,713,000		4,125,039
1803	77,055,000		3,848,828
1804	$86,427,000		$4,266,583
1805	82,312,000		4,148,999
1806	75,723,000		3,723,408
1807	69,218,000		3,369,578
1808	65,196,000		3,428,153
1809	57,023,000		2,866,075
1810	53,173,000	$7.24	2,845,428
1811	48,006,000		2,465,733
1812	45,210,000		2,451,273
1813	55,963,000		3,599,455
1814	81,488,000		4,593,239
1815	99,834,000		5,745,569
1816	127,335,000		7,213,259
1817	123,492,000		6,389,210
1818	103,467,000		6,016,447
1819	95,530,000		5,163,538
1820	91,016,000	9.44	5,126,097
1821	89,987,000		5,087,274
1822	93,547,000		5,172,578
1823	90,876,000		4,922,685
1824	90,270,000		4,996,562
1825	83,788,000		4,366,769
1826	81,054,000		3,973,481
1827	73,987,000		3,486,072
1828	67,475,000		3,098,801
1829	58,421,000		2,542,843
1830	48,565,000	3.77	1,913,533
1831	39,123,000		1,383,583
1832	24,322,000		772,562
1833	7,022,000		303,797
1834	4,760,000		202,153
1835	38,000		57,863
1836	38,000		
1837	337,000		
1838	3,308,000		14,997
1839	10,434,000		399,834
1840	3,573,000	.21	174,598
1841	5,251,000		284,978
1842	13,594,000		773,550
1843	32,743,000		523,595
1844	23,462,000		1,833,867
1845	15,925,000		1,040,032
1846	15,550,000		842,723
1847	38,827,000		1,119,215
1848	47,045,000		2,390,825
1849	63,062,000		3,565,578
1850	63,453,000	2.74	3,782,331
1851	68,305,000	2.85	3,696,721
1852	66,199,000	2.67	4,000,298
1853	59,805,000	2.32	3,665,833
1854	42,244,000	1.59	3,071,017
1855	35,588,000	1.30	2,314,375
1856	31,974,000	1.13	1,953,822
1857	28,701,000	.99	1,678,265
1858	44,913,000	1.50	1,567,056
1859	58,498,000	1.91	2,638,464
1860	64,844,000	2.06	3,177,315
1861	90,582,000	2.80	4,000,174
1862	524,178,000	15.79	13,190,325
1863	1,119,774,000	32.91	24,729,847
1864	1,815,831,000	52.08	53,685,422
1865	2,677,929,000	75.01	77,397,712
1866	2,755,764,000	75.42	133,067,742
1867	2,650,168,000	70.91	143,781,592
1868	2,583,446,000	67.61	140,424,046
1869	2,545,111,000	65.17	130,694,243
1870	2,436,453,000	61.06	129,235,498
1871	2,322,052,000	56.72	125,576,566
1872	2,209,991,000	52.65	117,357,840
1873	2,151,210,000	50.02	104,750,688
1874	2,159,933,000	49.05	107,119,815
1875	2,156,277,000	47.84	103,093,545
1876	2,130,846,000	46.22	100,243,271
1877	2,107,760,000	44.71	97,124,512
1878	2,159,418,000	44.82	102,500,875
1879	2,298,913,000	46.72	105,327,949
1880	2,090,909,000	41.60	95,757,575
1881	2,019,286,000	39.18	82,508,741
1882	1,856,916,000	35.16	71,077,207
1883	1,721,959,000	31.83	59,160,131
1884	1,625,307,000	29.35	54,578,379
1885	1,578,551,000	27.86	51,386,256
1886	1,555,660,000	26.85	50,580,146
1887	1,465,485,000	24.75	47,741,577
1888	1,384,632,000	22.89	44,715,007
1889	1,249,471,000	20.23	41,001,484
1890	1,122,297,000	17.80	36,099,284
1891	1,005,807,000	15.63	37,547,135
1892	968,219,000	14.74	23,378,116
1893	961,432,000	14.36	27,264,392
1894	1,016,898,000	14.89	27,841,406
1895	1,096,913,000	15.76	30,978,030
1896	1,222,729,000	17.25	35,385,029
1897	1,226,794,000	16.99	37,791,110
1898	1,232,743,000	16.77	37,585,925
1899	1,436,701,000	19.21	39,896,925
1900	1,263,417,000	16.60	40,160,333
1901	1,221,572,000	15.74	32,342,979
1902	1,178,031,000	14.88	29,108,045
1903	1,159,406,000	14.38	28,556,340
1904	1,136,259,000	13.83	24,646,490
1905	1,132,357,000	13.51	24,590,944
1906	1,142,523,000	13.37	24,308,576
1907	1,147,178,000	13.19	24,481,158
1908	1,177,690,000	13.28	21,426,138
1909	1,148,315,000	12.69	21,803,836
1910	1,146,940,000	12.41	21,342,944
1911	1,153,985,000	12.29	21,311,334

Public debt of the United States, 1791 to 1958—Continued

Public debt of the United States, 1791 to 1958—Continued

Year	Amount	Per capita	Interest
1912	$1,193,839,000	$12.52	$22,616,300
1913	1,193,048,000	12.27	22,899,108
1914	1,188,235,000	11.99	22,863,836
1915	1,191,264,000	11.85	22,902,897
1916	1,225,146,000	12.02	22,900,869
1917	2,975,619,000	28.77	24,742,702
1918	12,243,629,000	117.11	189,743,277
1919	25,482,034,000	242.54	619,215,569
1920	24,299,321,000	228.23	1,020,251,622
1921	23,977,451,000	220.91	999,144,731
1922	22,963,382,000	208.65	991,000,759
1923	22,349,707,000	199.64	1,055,923,690
1924	21,250,813,000	186.23	940,602,913
1925	20,516,194,000	177.12	881,806,662
1926	19,643,216,000	167.32	831,937,700
1927	18,511,907,000	155.51	787,019,578
1928	17,604,293,000	146.09	731,764,476
1929	16,931,088,000	139.04	678,330,400
1930	16,185,310,000	131.51	659,347,613
1931	16,801,281,000	135.45	611,559,704
1932	19,487,002,000	156.10	599,276,631
1933	22,538,673,000	179.48	689,365,106
1934	27,053,141,000	214.07	756,617,127
1935	28,700,893,000	225.55	820,926,353
1936	33,778,543,000	263.79	749,396,802
1937	36,424,614,000	282.75	866,384,331
1938	37,164,740,000	286.27	926,290,714
1939	40,439,532,000	308.98	940,539,764
1940	42,967,531,000	325.62	1,040,935,697
1941	48,961,444,000	367.97	1,110,692,812
1942	72,422,445,000	541.39	1,260,085,336
1943	136,696,090,000	1,020.38	1,808,160,306
1944	201,003,387,000	1,455.67	2,608,970,806
1945	258,682,187,000	1,852.74	3,616,686,048
1946	269,422,000,000	1,905.42	4,721,958,000
1947	258,256,000,000	1,792.05	4,957,922,000
1948	252,292,000,000	1,720.71	5,211,102,000
1949	252,770,000,000	1,694.75	5,339,396,000
1950	257,357,000,000	1,696.68	5,749,913,000
1951	255,222,000,000	1,653.42	5,612,655,000
1952	259,105,000,000	1,650.06	5,859,263,000
1953	266,071,000,000	1,666.74	6,503,580,000
1954	271,260,000,000	1,670.14	6,382,486,000
1955	274,374,000,000	1,660.15	6,370,362,000
1956	272,651,000,000	1,622.64	6,786,599,000
1957	270,634,309,846	1,580.55	7,244,193,486
1958	276,444,438,345	1,587.63	7,611,544,091

Mr. MALONE. Mr. President, the above table is significant. It is worthy of study.

It will be noted that each war has increased the public debt during the war and also during a brief reconstruction period of 2 or 3 years following. This is the natural consequence of war.

Since our constitutional government was formed we have had seven wars. They were:

The War of 1812: from 1812 to 1815.
The Mexican War: from 1846 to 1848.
The Civil War: from 1861 to 1865.
The Spanish-American War: in 1898.
World War I: 1917 and 1918.
World War II: 1941 to 1945.

And the Korean war: 1950 to 1953.

The War of 1812 increased the public debt to $127,335,000, but after 1816 our Government wisely began to reduce the debt by economical and judicious administration and an increase in customs duties, then a principal source of revenue.

In 20 years they had the debt down to a mere token sum of $38,000 on which there was no interest charge of a sufficient amount to be noted in the records.

The Mexican War tripled the public debt from $15½ million in 1846 to $47,045,000 in 1848 and for 4 years after that war the public debt was between $63 million and $68 million. But it then declined annually to 1857 when the per capita debt was only 99 cents or less than a dollar.

The Civil War, with the second highest number of casualties in our history cost our Government less than the interest on our public debt tody, and after 1866 there was a continuous decline in the debt and in the interest charges until 1893, almost on the eve of the Spanish American War, which only increased the national debt by $200 million.

These were American wars fought in American interests.

Our international wars began in 1917 and for the first time in history our national debt zoomed to $3 billion. It reached approximately twelve and a quarter billion in 1918, and twenty-five billion in 1919. Many of these billions represented money borrowed from our taxpayers and given to our allies, but which our allies never paid back.

However, beginning in 1921, the debt was progressively reduced until the great depression. In 1930 it was only $16,185,000,000, and the interest charge was less than one-tenth what the interest on our public debt is today. The per capita debt was $131.50.

The national debt began to rise when the New Deal came in but even in 1941, when our preparedness program already was well underway, it had not yet reached $50 billion. In 1945 it was $258 billion; in 1946, $269 billion. Much of that debt, some $50 billion of it, was represented in the costs of financing our allies.

In 1947 and 1948 our public debt began to taper off in accordance with our historic pattern, but foreign aid expenditures of billions a year reversed that principle and tradition, and in consequence our debt now is the highest it has ever been in history and $22 billion higher than it was at the close of the war. The interest charges alone would have financed the Civil War.

This is an enormous debt. It represents, as the table shows, a debt of nearly $1,600 owed by every man, woman and child in the United States.

The Government of the United States has mortgaged not only our children but our children's children.

Why?

Primarily to bring security to foreign governments at the risk of losing our own security.

Many of these foreign governments are run by dictators, and several by Communist dictators; many others are run by Socialists and self-proclaimed neutrals who always side with the Communists in a showdown. Some of them are kingdoms? Some are sheikdoms, whatever that is. And scarcely any of them are republics or democracies.

Yet we are financing them at taxpayers' expense, increasing the national debt to do so, and burdening future American generations with oppressive taxation.

Not one of these countries, as the table I introduced early in my remarks shows, has a public debt remotely comparable to our own.

All of them put together do not have a public debt that comes within a hundred billion dollars of being what our own debt is.

Only three nations in the world have a public debt as large as the interest alone that we are paying on our own national debt.

And yet we have administration spokesmen weeping and moaning to us here on Capitol Hill because they only want to give away 3½ billion to these almost debt-free nations in the coming year.

Out of one side of their mouths they plead for us to give away more billions to foreigners.

Out of the other side of their mouths they plead with us to raise the debt limit so we can incur more debt to give more billions to foreigners.

Mr. President, on June 30, 1958, the council of State chambers of commerce issued a bulletin, headed: "What Price Foreign Aid in 1959."

Page 1 of that bulletin includes a table.

I ask unanimous consent that this table be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Foreign aid funds paid out during the post-war period from July 1, 1945, to June 30, 1957, and foreign aid funds available from July 1, 1957, to date [1]

	Million
Grants paid out July 1, 1945 to June 30, 1957	$50,981
Grants unexpended as of June 30, 1957	6,200
Funds provided for fiscal 1958:	
Grant appropriations	2,300
Farm commodities for relief purposes	300
Total grants	59,781
Less: Returns on grants to June 30, 1957	1,724
Net aid in grants	58,057
Loans paid out July 1, 1945 to June 30, 1957	13,023
Grants converted to loans	2,257
Unexpended loan authority June 30, 1957	3,800
Funds provided for fiscal 1958:	
Loan appropriations	400
Foreign currencies from sale of farm commodities	600
Expanded loan authority of Export-Import Bank	2,000
Total loans	22,080
Less: Principal collected on loans to June 30, 1957	4,539
Net aid in loans	17,541
Total net aid	75,598

[1] Source: Office of Business Economics, U. S. Department of Commerce.

Mr. MALONE. Mr. President, the Council of State Chambers of Commerce also prepared a table showing the net funds provided by the taxpayers of each State of the Union for Foreign Aid during the period of July 1, 1945 to June 30, 1958.

I ask unanimous consent that this table be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, follows:

State-by-State breakdown of post-World War II foreign-aid costs

	Federal tax burden, percentage	Net funds provided, July 1, 1945, to June 30, 1958
Alabama	0.93	$703,061,400
Arizona	.50	377,990,000
Arkansas	.44	332,631,200
California	10.51	7,945,349,800
Colorado	.89	672,822,200
Connecticut	2.25	1,700,955,000
Delaware	.61	461,147,800
Florida	2.08	1,572,438,400
Georgia	1.30	982,774,000
Idaho	.24	181,435,200
Illinois	7.11	5,375,017,800
Indiana	2.36	1,784,112,800
Iowa	1.11	839,137,800
Kansas	.94	710,621,200
Kentucky	1.08	816,458,400
Louisiana	1.17	884,496,600
Maine	.41	309,951,800
Maryland	1.90	1,436,362,000
Massachusetts	3.66	2,766,886,800
Michigan	5.01	3,787,459,800
Minnesota	1.62	1,224,687,600
Mississippi	.41	309,951,800
Missouri	2.39	1,806,792,200
Montana	.30	226,794,000
Nebraska	.60	453,588,000
Nevada	.20	151,196,000
New Hampshire	.32	241,913,600
New Jersey	4.20	3,175,116,000
New Mexico	.32	241,913,600
New York	13.93	10,530,801,400
North Carolina	1.36	1,028,132,800
North Dakota	.19	143,636,200
Ohio	6.18	4,671,956,400
Oklahoma	.91	687,941,800
Oregon	.91	687,941,800
Pennsylvania	7.14	5,397,697,200
Rhode Island	.58	438,468,400
South Carolina	.61	461,147,800
South Dakota	.20	151,196,000
Tennessee	1.13	854,257,400
Texas	4.23	3,197,795,400
Utah	.33	249,473,400
Vermont	.18	136,076,400
Virginia	1.68	1,270,046,400
Washington	1.53	1,156,649,400
West Virginia	.73	551,865,400
Wisconsin	2.05	1,549,759,000
Wyoming	.16	120,956,800
Alaska	.10	75,598,000
District of Columbia	.72	544,305,600
Hawaii	.29	219,234,200
Total	100.00	75,598,000,000

Mr. MALONE. Mr. President, 400 years ago the greatest and potentially the richest nation in the world was Spain.

Its monarchs possessed all of South and Central America, the southwestern portion of the United States, the southern half of Italy, Sicily, and Sardinia, the areas that now comprise the Netherlands and Belgium, and even Austria. Most of the world's gold supply and silver supply was in her hands. Then she collapsed.

A great English economist in 1698, Charles D'Avenant, wrote what is perhaps Spain's most appropriate obituary, as follows:

Spain is a sufficient instance, what a weight of old debts are upon any country, and how they render present administration difficult and impotent. The chief branches of that kingdom's revenue are employed in payment of interest for money borrowed a hundred years ago; and that nourishment which should support the body politick, being diverted in another way, it becomes weak, and unable to resist accidents. When a people so involved come to be engaged in a foreign war 'tis quickly evident to their enemies that they are not much to be feared for their power, and to their friends, that they are not to be depended on for any help.

These large anticipations which began in 1588, and were continued from year to year, without any measures thought on to lessen the debt, have more contributed to sink the Spanish monarchy than all their other bad councils put together. And this has been all along the case of Spain, whose crown revenue is near as large as that of France, but so clogged and anticipated that upon any emergency, for want of money, they can neither find fleets or armies for their kingdom's defense.

Mr. President, foreign aid is nothing new. It has been extended to one or more of the empire-minded powers of Europe since 1914. It has helped hurl us into two foreign wars. It contributed in large measure to the 1929 depression. It has never brought us returns in either peace or friendship.

During World War I the United States financed 19 allies. Nine of these quondam allies are now behind the Iron Curtain controlled by Communists.

Before the entry of the United States into World War I the war in Europe was financed in large measure by New York banks. After America's entry the war was financed by the United States taxpayers and the loans made to these powers were ample to pay off the debts owing to the banks.

In World War I, prior to America's entry on April 6, 1917, great Britain's direct borrowings in the United States totaled $1,065,000,000. J. P. Morgan & Co. were the American bankers for the British Government.

France made her first war loan in the United States in September 1914, for $10 million, arranged through the National City Bank of New York.

In March 1915, a syndicate headed by J. P. Morgan & Co., placed a loan of $50 million in New York for the French Government.

France next obtained $250 million from a loan placed in New York in October 1915, by a syndicate headed by J. P. Morgan & Co.

In May 1916 France obtained a loan of $100 million in New York handled by an American foreign securities company which had a paid-in capital of only $10 million but sold $94,500,000 in 5-percent bonds.

In April 1917 France obtained a loan of $100 million through J. P. Morgan & Co.

France also arranged industrial or export credits in the sum of $45 million arranged by the Brown Bros. & Co., and $110 million arranged by Bonbright & Co., individually and in connection with the Guaranty Trust Co. and Bankers Trust Co.

In October 1916 the city of Paris arranged a loan of $50 million in New York. In November of the same year the city of Marseilles arranged a loan of $12 million, as did also the city of Lyons and the city of Bordeaux. All city loans were negotiated by Kuhn, Loeb & Co.

Russia, on September 1, 1917, owed the United States $279 million. She also owed Britain $2,766,000,000; France $762 million; Japan, $152 million, and Italy, $10 million.

Credits in behalf of Russia prior to American entry into the war included: $5 million, October 1914, National City Bank; $10 million, April 1915, National City Bank; $50 million, June 16, 1916, syndicate headed by the National City Bank, and $25 million, November 1916, handled by the same syndicate.

During World War I the United States financed allies and other nations in the sum of $10,578,509,000, principal only, exclusive of interest, in addition to financing its own military operations which entailed an increase in the national debt from $1,282,000,000 to $24,298,000,000. These loans were financed by proceeds from Liberty Loan sales.

The Liberty Loan Act provided that the Secretary of the Treasury was permitted to make loans only to foreign governments engaged in war with the enemies of the United States, and such authority was to cease upon the termination of the war between the United States and the Imperial German Government.

Loans were made to Armenia, Austria, Belgium, Czechoslovakia, Esthonia, Finland, France, Great Britain, Greece, Hungary, Italy, Latvia, Liberia, Lithuania, Nicaragua, Poland, Rumania, Russia, and Yugoslavia.

In direct contravention to the express wording of the Liberty Loan Act loans were made after the war had ended. The total of these postwar loans was $2,170,000,000, and included indirect loans to Germany via other governments who supplied Germany with products purchased with loans from the United States. Austria, also a former enemy, was also a beneficiary of this largesse.

The war debts were never paid. Principal plus interest owed the United States by foreign governments on indebtedness growing out of World War I, now approximates $18 billion.

Despite the fact that these debtor countries did not pay their debts to the United States for money obtained from American Liberty bond purchasers, United States banks throughout the period between World War I and World War II continued to make loans to these and other foreign governments.

Samuel Crowther in America Self-Contained lists the new loans to foreign countries from the years 1922 through 1931, as follows:

1922	$763,627,000
1923	420,597,000
1924	969,224,000
1925	1,076,466,000
1926	1,314,481,000
1927	1,574,225,000
1928	1,578,951,000
1929	948,230,000
1930	1,107,333,000
1931	419,835,000

Crowther observes:

The foreign loans * * * did not help trade. The foreign loans were not made in order to help trade. They were not made to rehabilitate foreign nations. They were made, for the most part, simply so that the bankers might have a stock of quick moving goods.

Mr. President, the time came when the foreign countries which had welched on their debts to the United States Government began to welch also on their debts to the New York banks. That was the beginning of the great depression.

DEFENSE OF UNITED STATES MUST BE BASED IN NORTH AMERICA

Mr. President, if, 30 years ago, someone had said we would be afraid of any nation, that we would be afraid of our own shadow, that we would be divesting

our own markets of the lifeblood of the American people, and would be dividing our markets among the other nations of the world, that person would have been put into an insane asylum.

Mr. President, principles do not change. It is true that we have to keep up with the rest of the world. But the principle of defense never has changed.

I have said before that the next war will be fought under the sea or in the air, but not on the ground, where I and many of my colleagues fought the First World War.

We must keep control of this situation; and we can do so. We can defend this hemisphere from North America, and can make it self-sufficient in case of war—just as Russia can do, so far as her part of the world is concerned.

NUCLEAR-POWERED SUBMARINES TO CHANGE COURSE OF WARFARE

Today, and everyone in this country will know it within 6 months, if we construct enough nuclear-powered submarines, such as the *Nautilus,* which recently went under the North Pole—and let me point out that I said, facetiously, 5 or 6 years ago, that such a submarine has to surface only every 2 or 3 years, just long enough to let the crew reenlist [laughter]—the method of war in the world will be changed. I do not know how many submarines of that type we need; but if we had any gumption, we would make a great many more of them. Once such submarines submerge, they cannot be located, for they do not use the old type of engine. Instead, they are run by nuclear fuels. In a matter of minutes—not hours—such submarine can surface and can throw bombs into Moscow or anywhere else their commanders wish.

If we had as many of those submarines as we need—and we should let those at the top of our national defense determine how many of them we need—then, if we had a certain number of them under the Arctic ice, they could destroy any nation that attempted to destroy us. Under those circumstances, if a potential attacker knew that was possible, he would never attack us.

Mr. DWORSHAK. Mr. President, will the Senator from Nevada yield to me?

The PRESIDING OFFICER (Mr. MALONE in the chair). Does the Senator from Nevada yield to the Senator from Idaho?

Mr. MALONE. I am happy to yield.

Mr. DWORSHAK. The Senator from Nevada reads the newspaper press accounts of the President's press conferences and the statements released by the press-relations bureau of the White House. Does not the Senator from Nevada fear that whereas we should have solidarity within the United States, in order to face the threats that come from behind the Iron Curtain these inept statements from the White House probably will cause dissension and friction within the Nation, and actually will weaken the defense of our country? Although we have reliance upon missiles, planes, and nuclear-powered submarines, and although we have confidence that we are building up military defenses to reserve the security of the Nation, if there is lack of harmony or unity within the Nation, is not the responsibility for that in the White House, where these inept public-relations policies are initiated?

GOVERNMENT LACKING FORTITUDE

Mr. MALONE. I do not believe the responsibility is solely in the White House. Instead, it is right here in the Congress—in the Senate and in the House of Reresentatives. The Members of Congress are the ones who must develop the guts to stand on their feet and say what they believe. I have told the Senate what I believe, and within 6 months everyone will know it.

But, instead, our officials become frightened when Khrushchev and others make threats.

Furthermore, the United States has become the laughing stock of the world. Our Government does not even have the guts to insist upon the freeing of American citizens who are captured—for instance, when Americans were captured by Castro, and were kept in captivity in the mountains of Cuba. Mr. President, do you know what I would have done if I had been President at that time? I would have sent a radio message to Castro, "My friend, tomorrow morning, at 9 a. m., a passenger plane will land at the airport nearest your base. It will pick up our men whom you have made captive—either that, or, if you do not see that they are put aboard that plane, it will be followed by a fleet of our planes; and that will be the last anyone will ever hear of you."

Then those American citizens would have been freed at once.

But, instead, the policy our Government follows is a disgrace to the American people. Our Government does not have the guts that God gives to geese.

Mr. President, tonight I am saying things which everyone in the United States should know. I should not have to say them. All Members of Congress know them. All we need to do is stop and think. But no one stops to think, any more; we just follow, like a bunch of cattle.

Mr. JOHNSON of Texas. Mr. President, will my friend yield to me?

Mr. MALONE. I am delighted to yield.

Mr. JOHNSON of Texas. Mr. President, I had hoped the Senate would be able to take a yea-and-nay vote, tonight, on the pending bill. However, if the Senator from Nevada does not feel that he can join us in our desire to have the yeas and nays ordered, and to have that vote taken tonight, I wonder whether he will yield to me, in order to permit me to make a motion that the Senate adjourn. In that event, it would be impossible for us to conclude the session this week. However, I do not believe we should ask Senators to remain much longer this evening.

Mr. MALONE. I am very happy to yield for that purpose.

Mr. JOHNSON of Texas. Will the Senator from Nevada permit a vote to be taken tonight on the debt-limit-increase bill—with the understanding that consideration of the mutual security bill will not be resumed until tomorrow? Also, I should like to request the ordering of the yeas and nays, while most of the Members are in the Chamber. If we are able to dispose tonight of the bill to raise the debt ceiling, then the Senate could resume its consideration of the mutual security bill; and, on tomorrow, the Senator from Nevada could be recognized.

Mr. MALONE. Mr. President, it is impossible for me to turn down the request the Senator from Texas has made, because he has been so fine in his dealings with me during the entire session—in fact, during the entire time he has been the majority leader.

I must admit that I am just so aggravated and so angry—in fact, I was so angry that was one reason I ran for election to the Senate in 1946, the only job I ever ran for. But I am more angry now, because now the Republican organization is doing exactly what the Democratic organization has been doing for the last 25 years.

So, Mr. President, I promise to yield in 5 minutes.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Nevada yield to me now, long enough to permit me to request the yeas-and-nays on the question of the final vote on the debt-limit-increase bill—so that all Members may know what sort of vote will be taken on that question?

Mr. MALONE. Very well.

Mr. JOHNSON of Texas. Mr. President, on the question of the final passage of the bill, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Obviously there is a sufficient number; and the yeas and nays are ordered.

WASHINGTON QUOTED

Mr. MALONE. Mr. President, I wish to quote further from George Washington. He said:

> Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinamy viccissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities. * * * It is our true policy to steer clear of permanent alliance with any portion of the foreign world.

Mr. President, George Washington never said our country should not have allies. Certainly, Mr. President, when any trouble develops, we shall have allies who are friendly to our point of view. But we do not need allies under a treaty which binds us to do things that our allies never will do—things in which they, themselves, do not believe.

JEFFERSON ADVOCATED ECONOMIC INDEPENDENCE

Mr. President, Thomas Jefferson said:

> To be independent for the comforts of life we must fabricate them ourselves. The grand inquiry now is, shall we make our own comforts or go without them at the will of a foreign nation?

JAMES MADISON PLEDGES TO "BUY PEACE OF NONE"

James Madison said, in a message tc the Bey of Algiers in August 1816:

> The United States, whilst they wish for war with no one, will buy peace of none. It is a principle incorporated into the settled

policy of America, that as peace is better than war, war is better than tribute.

JAMES MONROE'S VIEWS ON NATIONAL SELF SUFFICIENCY

James Monroe said:

It cannot be doubted that the more complete our internal resources and the less dependent we are on foreign powers for every national as well as domestic purpose the greater and more stable will be the public felicity.

James Monroe also said:

Possessing as we do all the raw materials, the fruit of our own soil and industry, we ought not to depend in the degree we have done on supplies from other countries. While we are thus dependent, the sudden event of war, unsought and unexpected, can not fail to plunge us into the most serious difficulties. It is important, too, that the capital which nourishes our manufacturers should be domestic, as its influence in that case instead of exhausting, as it may do in foreign hands, would be felt advantageously on agriculture and every other branch of industry. Equally important is it to provide at home a market for our raw materials, as by extending the competition it will enhance the price and protect the cultivator against the casualties incident to foreign markets.

"FEED OUR OWN," SAID ANDREW JACKSON

Andrew Jackson said:

We have been too long subject to the policy of the British merchants. It is time we should become a little more Americanized, and instead of feeding the paupers and laborers of England, feed our own, or else in a short time, by continuing our present policy, we shall all be rendered paupers ourselves.

Henry Clay said:

Let us no longer watch the nod of any European politician. Let us be real and true Americans and place ourselves at the head of the American system.

ABRAHAM LINCOLN'S ESTIMATE OF FOREIGN DANGERS

Abraham Lincoln said:

At what point, then, is the danger to be expected? I answer, if it ever reaches us, it must spring up among us. It cannot come from abroad. If destruction be our lot, we must ourselves be its author and finisher. As a nation of freemen, we must live through all time or die by suicide.

Daniel Webster said:

Away then, once and forever, with the miserable policy which would bring the condition of the laborer in the United States to that of a laborer in Russia, or Sweden, in France or Germany, in Italy or Corsica. Instead of following these examples, let us hold up all our own, which all nations may well envy, and which, unhappily, in most parts of the earth, it is easier to envy than to imitate.

WORLD WAR I A TRADE WAR, SAID WOODROW WILSON

Woodrow Wilson said, in a speech on September 5, 1919:

The real reason that the war we have just finished took place was that Germany was afraid her commercial rivals were going to get the better of her, and the reason some nations went into the war against Germany was that they thought Germany would get the advantage of them. The seed of jealousy, the seed of deep-seated hatred, was hot, successful commercial and industrial rivalry. This war in its inception was a commercial and industrial war. It was not a political war.

HERBERT HOOVER'S SOUND ADVICE ON FOREIGN AND MILITARY POLICY

Herbert Hoover said:

The foundation of our national policies must be to preserve for the world this Western Hemisphere Gibraltar of western civilization. We can, without any measure of doubt, with our own air and naval forces, hold the Atlantic and Pacific Oceans. With one frontier on Britain (if she wishes to cooperate); the other on Japan, Formosa, and the Philippines, we could, after initial outlays for more Air and Navy equipment, greatly reduce our expenditures, balance our budget, and free ourselves from the dangers of inflation and economic degeneration.

Mr. Hoover also said:

We are not blind to the need to preserve western civilization on the Continent of Europe or to our cultural and religious ties to it. But the prime obligation of western continental Europe rests upon the nations of Europe. The test is whether they have the spiritual force, the will and acceptance of unity among them by their own volition. America cannot create their spiritual forces: We cannot buy them with money.

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement with respect to the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DEBT LIMIT

UNDER PRESENT LAW

As the law stands now the permanent statutory ceiling is $275 billion and, under an act signed last February 26, the limit was temporarily raised $5 billion until June 30, 1959.

In other words, under present law the limit is temporarily $280 billion until next June 30, and at that time it would revert to the permanent $275 billion ceiling.

UNDER HOUSE BILL

As this bill was passed by the House of Representatives, the present temporary $5 billion increase in effect is repealed; the permanent limit would be raised by $10 billion from $275 billion to $285 billion; and in addition there would be another $3 billion temporary increase expiring June 30, 1960.

In other words the limit would be $288 billion until June 30, 1960, and at that time it would come down to a new permanent limit of $285 billion.

UNDER SENATE BILL

Under the bill as reported by the Senate Finance Committee, and as it is now pending before the Senate, the permanent limit would be raised $8 billion from $275 billion to $283 billion, and the $5 billion temporary increase enacted last February would be unchanged, to remain effective until June 30, 1959.

In other words, under the bill now before the Senate with Finance Committee approval, the limit would be $288 billion until the end of this fiscal year, and at that time it would revert to a new permanent ceiling of $283 billion.

LEEWAY UNDER BILL

Requirement for the debt limit is measured principally by the operating leeway afforded. Leeway is provided by the combined amount of unused borrowing authority under the limit, and cash balances on hand at any given time.

On the basis of figures presented to the Finance Committee by the Secretary of the Treasury, and the outlook as he outlined it, provisions in the Senate bill would be ample. Members of Congress, and the public generally, need have no fear to the contrary.

The official estimates clearly show that under provisions of this bill the Federal Government can pay all of its bills on time, and in no period will it be operating on a leeway of less than $4.7 billion.

In fact, under the pending bill, there will be times during the current fiscal year when the leeway will be as high as $15.9 billion.

The semimonthly estimates of the leeway situation in fiscal year 1959, based on official figures submitted by the United States Treasury Department, are as follows:

Estimated leeway under proposed $288 billion statutory debt limit

[In billions]

Fiscal year 1959	Proposed $288 billion statutory debt limit	Estimated debt outstanding (subject to limit)	Leeway under $288 billion debt limit		
			Unused borrowing authority	Estimated operating cash balance	Total
1958					
Aug. 15	$288	$277.8	$10.2	$5.2	$15.4
Aug. 31	288	278.5	9.5	5.6	15.1
Sept. 15	288	276.3	11.7	2.2	13.9
Sept. 30	288	276.1	11.9	4.0	15.9
Oct. 15	288	280.2	7.8	5.5	13.3
Oct. 31	288	270.9	8.1	4.1	12.2
Nov. 15	288	279.6	8.4	3.0	11.4
Nov. 30	288	279.7	8.3	2.8	11.1
Dec. 15	288	282.0	6.0	2.9	8.9
Dec. 31	288	281.9	6.1	3.9	10.0
1959					
Jan. 15	288	285.1	2.9	5.7	8.6
Jan. 31	288	284.9	3.1	5.5	8.6
Feb. 15	288	283.7	4.3	3.4	7.7
Feb. 28	288	284.1	3.9	4.6	8.5
Mar. 15	288	283.7	4.3	2.8	7.1
Mar. 31	288	280.5	7.5	2.9	10.4
Apr. 15	288	283.7	4.3	4.2	8.5
Apr. 30	288	283.6	4.4	3.0	7.4
May 15	288	284.8	3.2	3.8	7.0
May 31	288	285.8	2.2	4.5	6.7
June 15	288	285.5	2.5	2.2	4.7
June 30	288	283.3	4.7	4.2	8.9

REQUIREMENT FOR REVIEW

In short, the administration requested a $288 billion limit until June 30, 1960, and the committee bill would grant the $288 billion limit until June 30, 1959.

The semi-monthly leeway estimates clearly show the $288 billion is enough for the current fiscal year ending June 30, 1959.

The Treasury has not supplied figures on which we can base an estimate of the requirement for fiscal year 1960.

Congress will be back in session during the first few days in January 1959. That is only 4 months from now. At that time the new budget for fiscal year 1960 will be ready for presentation. There will be something by which to measure the requirements for debt limit requirements in that year, and there will be sufficient time for a more adequate estimate of the debt a year hence. The situation can and should be reviewed at that time.

RESTRAINT ON SPENDING

As the Senate knows, the present Secretary of the Treasury, as well as his predecessors of more recent years, are on record as to the advisability of a reasonably tight debt limit. Current expenditure authorization procedure is the reason for that.

Under this procedure we finance multiyear Federal programs and projects far in advance. As a result we have built up tremendous balances in prior year authoriza-

tions—appropriations, authority to spend out of debt receipts, contract authorization, etc., over which there is little annual expenditure control except debt limitation. In the current year total spending authorizations will be at least $150 billion.

In this connection, the people of this country are reassured that there is no more responsible committee in Congress than the Senate Finance Committee.

So long as it is fiscally possible, the committee will report legislation to protect the integrity of the Federal Government of the United States. And, so long as the money can be raised within our system, the Government's valid bills and debts will be paid—and on time. It is the committee's job to see to that, as difficult as it is in these times.

The committee has determined that, under existing conditions, a reasonably tight debt ceiling properly administered by executive agencies, is the most constructive and effective remaining restraint on excessive Federal spending.

I cannot overlook this opportunity to compliment responsible officials of the Government for their action in this respect a year ago. Unfortunately their efforts were disgracefully misrepresented by some low-grade Federal officers and their associates. The principal offenders were in the Defense Department area working through friends and contractors.

SITUATION IS SERIOUS

Special interests—vested and otherwise—can no longer be tolerated. Every current indication and every word of new testimony is now building up a preponderance of evidence as to the seriousness of the situation confronting us.

When Congress convened in January we were told by the administration that the Federal budget would be virtually balanced in the last fiscal year and that there would be a surplus in this fiscal year.

Actually, there was a $2.8 billion deficit in the last fiscal year, ending June 30, and another deficit of $12 billion is anticipated in the present fiscal year.

The administration has asked for two debt ceiling increases in a period of 6 months, aggregating $13 billion, making the total debt limit $288 billion.

This unprecedented deterioration of our fiscal condition in a brief space of 6 months should shock every American into a realization of the perils that confront us.

The Budget Director anticipates an $80 billion expenditure budget this fiscal year. And this will continue: so that in 5 years it is predicted we will spend $400 billion. On the basis of the present revenue, there would be an accumulated deficit of $65 billion in the next 5-year period. The debt would then approach $350 billion.

It is evident that we have a runaway budget and little effort is being made by either the administration or Congress to control it.

The Secretary of the Treasury has intimated that he may have to ask for another debt ceiling increase when Congress convenes in January.

DEFICIT-DEBT-INFLATION

Over the past year the Senate Finance Committee has made a special study of the financial condition of the United States. Every competent witness has testified that continual Federal deficits and growing national debt are the principal factors in inflation.

The contention that inflation will balance the budget by increasing income which may be taxed is fallacious. Increased cost of goods and services purchased by the Government will consume most of the increase in revenue resulting from inflated income.

Deficit spending will promote serious inflation and, if continued, it will destroy more of the purchasing power of our present 48-cent dollar.

Unless we change our course, we are going to be in serious fiscal and economic trouble. When the American dollar goes down, the currency of the world will collapse. Drastic action will be necessary to prevent real disaster.

The security of the free world—and that includes us—depends upon the strength of the United States, and the strength of the United States depends upon solvent government and maintaining the value of our money.

On the basis of constant 1939 index measurement, since that year the value of the American dollar has dropped from 100 cents to 48 cents. This year it dropped every month, January through June. There are indications that it dropped in July. And in August we already have the rise in the price of steel and aluminum.

Raising the debt limit formally licenses further inflation. We have been forced by Federal spending into raising the limit on a temporary basis since 1954. Now we are asked to do it both permanently and temporarily.

We are spending ourselves into the inevitable corner. By law we have ordered expenditures far beyond our income. The gun is at our heads. Under the circumstance, how can continuing deficits and mounting debt be avoided?

NONESSENTIAL FEDERAL EXPENDITURES

We need no crystal ball to see the budgetary shape of things to come. We need only to look at the nature and magnitude of the legislation we have been passing in this session of Congress.

To mention only some of it as passed by the Senate:

We have approved the $666 million temporary unemployment compensation act, the $125 million superliner construction bill, the $500 million transportation loan guaranty authority, and $1.5 billion in Federal pay raises.

We have approved legislation for an additional $2 billion in Export-Import Bank lending authority, $350 million for small business, and in the Senate we have passed 4 bills for housing and related projects authorizing a total of $26 billion in Federal cash and public credit.

Then, there were the $1.5 billion (Public Law 480) Agricultural Trade Development and Assistance Act amendments, the $1.5 billion school bill, the $500 million highway bill (in addition to the trust fund), and two resolutions for acceleration of public works which, in the kind of spending atmosphere we have generated, could run for $50 billion.

These certainly are not all, but they are samples of the kind of legislation we have been passing. New spending authorizations in this session of Congress, in their present status, exceed the President's request by upward of $10 billion.

It should be noted that much of this new spending authorization is outside of appropriation control. It should be noted also that the greater part of it is in strictly domestic-civilian categories.

Please note too that I have been speaking of new spending authorizations, much of which will be spent in future years. Only part of it will be spent in the current fiscal year.

The Senate may be surprised at the areas in which spending will be increased this year. In the hearing on this bill last Friday, Mr. Maurice Stans, Director of the Budget testified that:

1. The budget submitted in January estimated total spending at $73.9 billion; this is now revised to $79 billion, an increase of $5.1 billion.

2. The January spending estimates for National Security, including military, stockpile, defense production, and atomic energy, totaled $42.8 billion; this is now revised to upward of $43.5 billion, an increase of about $700 million.

3. The January spending estimates for foreign aid and international affairs, including military assistance and economic aid, totaled $4.4 billion; this is now revised to $4.1 billion, a reduction of $300 million.

4. The January spending estimates for the remaining areas of Federal activity, which I choose to call domestic civilian, totaled $26.8 billion; this is now revised to $31.6 billion, an increase of nearly $5 billion, or approximately 20 percent.

In short, more than 90 percent of the increased spending this year which has occasioned revision of estimates since January is for domestic-civilian programs and projects.

I submit that while some of this increased spending may be necessary and even urgent, most of it is excessive and nonessential, slipped in by the spenders under cover of sputnik and recession hysteria. Here is the spawning ground for the new inflation.

It is astonishing to note the number of honorable men in and out of Government who brush inflation lightly aside. But, I think in our conscience we know the evil we are doing.

The evils of inflation are endless. They are insidious. They have tremendous effects on the life of every individual. Ultimately they wreck business and Government. History is full of the fatalities of inflation.

I hope and believe the American public will awaken to—

What is stealing our savings;

What is robbing those on fixed incomes;

What is penalizing prudent people who believe in honest, sound financing;

What is reducing the purchasing power of our money;

What is eating away at our national security; and

What is the real threat to freedom in the world.

When this awakening occurs the Nation will be stirred to its depths and rise up against the evil in our traditional fashion. This cannot happen too soon.

This is the reason for the Finance Committee amendments to this bill, assuring as best we can a review of the situation again within the year.

The PRESIDING OFFICER (Mr. MORTON in the chair). The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered——

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, it is so ordered.

The question is, Shall the bill pass? The yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Florida [Mr. HOLLAND], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I further announce that if present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Florida [Mr. HOLLAND], the Senator from Montana [Mr. MURRAY], and the Senator from Missouri [Mr. SYMINGTON], would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from Maryland [Mr. BUTLER], the Senator from Kansas [Mr. CARLSON], the Senator from West Virginia [Mr. HOBLITZELL], the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. IVES], the Senator from Indiana [Mr. JENNER], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Maine [Mr. PAYNE], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from Vermont [Mr. FLANDERS] is absent because of illness in his family.

The Senator from Colorado [Mr. ALLOTT], and the Senator from New Hampshire [Mr. BRIDGES] are detained on official business.

The Senator from Colorado [Mr. ALLOTT], the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], the Senator from West Virginia [Mr. HOBLITZELL], the Senator from New York [Mr. IVES], the Senator from Maine [Mr. PAYNE], and the Senator from New Jersey [Mr. SMITH] would each vote "yea."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Indiana [Mr. JENNER]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Indiana would vote "nay."

The result was announced—yeas 57, nays 20, as follows:

YEAS—57

Aiken	Gore	McNamara
Anderson	Hayden	Monroney
Barrett	Hennings	Morton
Beall	Hickenlooper	Mundt
Bennett	Hill	Neuberger
Bible	Humphrey	Pastore
Bush	Jackson	Potter
Capehart	Javits	Purtell
Carroll	Johnson, Tex.	Revercomb
Case, N. J.	Kefauver	Saltonstall
Case, S. Dak.	Kennedy	Smathers
Chavez	Kerr	Smith, Maine
Church	Knowland	Sparkman
Clark	Kuchel	Stennis
Cooper	Long	Thye
Cotton	Magnuson	Watkins
Curtis	Mansfield	Wiley
Dirksen	Martin, Iowa	Yarborough
Douglas	McClellan	Young

NAYS—20

Byrd	Johnston, S. C.	Robertson
Dworshak	Jordan	Russell
Ellender	Langer	Schoeppel
Ervin	Lausche	Talmadge
Frear	Malone	Thurmond
Goldwater	Morse	Williams
Green	Proxmire	

NOT VOTING—19

Allott	Fulbright	Murray
Bricker	Hoblitzell	O'Mahoney
Bridges	Holland	Payne
Butler	Hruska	Smith, N. J.
Carlson	Ives	Symington
Eastland	Jenner	
Flanders	Martin, Pa.	

So the bill (H. R. 13580) was passed.

Mr. KNOWLAND. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from California to reconsider.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Georgia.

Mr. RUSSELL. Mr. President, I desire to make a very brief statement that I had hoped to be able to make before the vote was taken as to why I voted in the negative on the pending bill. I realize the vital necessity of maintaining the credit of the United States, but those of us who have sought to keep expenditures within reason are confronted with a very grave dilemma in connection with this bill. If a majority of the Members of the Senate had voted as had the Senator from Georgia, there would have been no necessity for this bill. Instead of voting to increase the debt limit there would have been a reduction in the public debt, and I voted in the negative merely to express my protest against continually permitting Federal spending on so many useless projects, and particularly in the area of foreign aid.

MUTUAL SECURITY APPROPRIATIONS, 1959

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2258, H. R. 13192, making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes.

Mr. HAYDEN and Mr. DOUGLAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. DOUGLAS. I object, Mr. President.

The PRESIDING OFFICER. The objection is not in order. A motion has been presented. There has been no vote.

Mr. DOUGLAS. Mr. President, may I receive recognition?

The PRESIDING OFFICER. The Chair recognized the Senator from Arizona [Mr. HAYDEN]. The Chair will be happy to recognize the Senator from Illinois later.

Mr. HAYDEN. Mr. President, the mutual security appropriation bill which is now before the Senate appropriates $3,518,092,500 for assistance to countries receiving aid under this program. This is an increase of $440 million over the amount passed by the House of Representatives. The committee bill is $157,500,000 under the authorization act for mutual security and is $432 million less than the amount recommended for this program by the President in his original submission to the Congress last April.

The $440 million which has been added to the House bill in the committee consists of $280 million for the Development Loan Fund, $90 million for defense support, $55 million for the contingency fund, and $15 million for special assistance.

With the additional $280 million the development loan fund will have a total of $580 million for fiscal year 1959.

Mr. President, I ask unanimous consent that the table on page 2 of the committee report, which details the amount of the appropriation last year, the budget estimate for this year, and the amounts in the Senate and House bills, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Mutual security appropriations, 1959

Item	Appropriations, 1958	Estimates, 1959	Authorization acts	Recommended in House bill, 1959	Senate Committee bill, 1959	Increase (+) or decrease (−), Senate bill compared with—			
						Appropriations, 1958	Estimates, 1959	Authorization acts	House bill, 1959
Military assistance	$1,878,800,000	$1,800,000,000	$1,605,000,000	$1,515,000,000	$1,515,000,000	−$363,800,000	−$285,000,000	−$90,000,000	
Defense support	725,000,000	835,000,000	810,000,000	700,000,000	790,000,000	+65,000,000	−45,000,000	−20,000,000	+$90,000,000
Development Loan Fund	300,000,000	625,000,000	625,000,000	300,000,000	580,000,000	+280,000,000	−45,000,000	−45,000,000	+280,000,000
Technical cooperation	142,000,000	171,500,000	171,500,000	171,500,000	171,500,000	+29,500,000			
Special assistance	225,000,000	212,000,000	202,500,000	185,000,000	200,000,000	−25,000,000	−12,000,000	−2,500,000	+15,000,000
Contingency fund		200,000,000	155,000,000	100,000,000	155,000,000	+155,000,000	−45,000,000		+55,000,000
Other programs	165,010,000	106,592,500	106,592,500	106,592,500	106,592,500	−58,417,500			
Total mutual security:									
Appropriation	2,768,760,000	3,950,092,500	3,675,592,500	3,078,092,500	3,518,092,500	+749,332,500	−432,000,000	−157,500,000	+440,000,000
Unobligated balance	667,050,000	[1]		[1 2]		−667,050,000			
Total	3,435,810,000	3,950,092,500	3,675,592,500	3,078,092,500	3,518,092,500	+82,282,500	−432,000,000	−157,500,000	+440,000,000

[1] Entire unobligated balance of President's fund for Asian economic development (no amount specified) to remain available through June 30, 1959.

[2] Entire unobligated balance of United Nations Relief and Works Agency (no amount specified) made available through June 30, 1959.

Mr. HAYDEN. Mr. President, the amount of the executive branch presentation by country is in many instances classified, and for that reason it is not possible to include in the committee report the amount of aid requested for each individual country. I have at my desk the presentation books prepared by the administration, and any Senator may examine the classified figures if he desires to do so.

Mr. President, I ask unanimous consent that the committee amendments to the bill be agreed to en bloc, that the bill as thus amended be regarded for the purpose of amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreement to this order.

The PRESIDING OFFICER. The motion before the Senate is to take up H. R. 13192. The Senate has not yet acted on that motion. The Senator from Illinois has requested recognition.

Mr. DOUGLAS. Mr. President, I wish to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. If the motion is agreed to, H. R. 2 would be temporarily laid aside in favor of the mutual-security bill.

The PRESIDING OFFICER. That is correct. That is the motion.

Mr. DOUGLAS. Mr. President, I know the majority leader made this motion in perfectly good faith, but once the mutual-security appropriation bill is before the Senate and passed, there is great danger of filibustering H. R. 2 to death. As I look around, I pick out various Members from adjoining States who are athletic opponents of H. R. 2. I see piles of documents on their desks. I am very fearful that if H. R. 2 is once laid aside in favor of mutual security, it will be dead. I trust our majority leader will keep the Senate in session until we get a vote one way or the other on H. R. 2.

Mr. JOHNSON of Texas. That will depend entirely on the Senate.

The only vote I wish to get now is a vote on the mutual security appropriation bill. The reason I want to get a vote on the bill as early as possible is that the independent offices appropriation bill will also come before the Senate shortly, and both bills will probably have to go to conference. I intend to bring up the diversion bill by motion. How long the Senate will debate it I do not know. It will depend on the pleasure of the Senate. Therefore, I cannot assure the Senator from Illinois.

Mr. DOUGLAS. Mr. President, once H. R. 2 is laid aside and the Senate takes up the appropriation bill, our athletic friends will talk H. R. 2 to death. I am trying to protect H. R. 2. I do not want to have it subjected to that fate, not believing in the filibuster.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. If the bill is talked to death it will be for the good of the country. [Laughter.]

Mr. DOUGLAS. The statement of the Senator from Ohio indicates his frame of mind. It confirms my suspicion. I wonder if our able and distinguished majority leader would be willing to permit the Senate to come to a vote on this matter?

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOUGLAS. I believe that if our friends knew that the mutual security bill was outstanding, their oratorical onslaughts would be somewhat diminished.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to proceed to consider H. R. 13192, making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes (putting the question).

The motion was agreed to; and the Senate proceeded to consider the bill, H. R. 13192, making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Several Senators addressed the Chair.

Mr. JOHNSON of Texas obtained the floor.

Mr. JOHNSON of Texas. I yield first to the Senator from Arizona [Mr. HAYDEN], and then to the Senator from Oklahoma.

Mr. HAYDEN. I ask the Presiding Officer whether my request for unanimous consent that the committee amendments be agreed to en bloc was agreed to?

The PRESIDING OFFICER. The Chair asks the Senator from Arizona to restate his request.

Mr. HAYDEN. The request is to adopt all the committee amendments en bloc.

The PRESIDING OFFICER. Is there objection to agreeing to the committee amendments en bloc?

Mr. JAVITS. Mr. President, if the amendments are agreed to en bloc, will the bill be open to further amendment?

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. There is a parliamentary inquiry pending. The Senator from New York has addressed a parliamentary inquiry to the Chair, which has not yet been answered.

Mr. KNOWLAND. Mr. President, I understood that the Senator from Arizona asked that the amendments of the Committee on Appropriations be considered and agreed to en bloc, with the understanding that the bill be considered de novo and subject to amendment, and that no points of order are waived.

The PRESIDING OFFICER. Will the Senator from Arizona restate his request?

Mr. HAYDEN. I shall repeat it. I ask unanimous consent that the committee amendments to the bill be agreed to en bloc and that the bill as thus amended be regarded for the purpose of amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreement to this order.

Mr. JAVITS. Mr. President, I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arkansas will state it.

Mr. McCLELLAN. If the order is entered, does it mean that we cannot then offer any amendment to the bill?

Mr. HAYDEN. Oh, no.

The PRESIDING OFFICER. The Chair is advised that if the request of the Senator from Arizona is agreed to, any amendment which any Senator desires to offer may be offered to the bill.

Mr. McCLELLAN. I thank the Chair.

The PRESIDING OFFICER. Any amendment which would be within the rules of the Senate.

RAISING THE DEBT LIMIT

Mr. LAUSCHE. Mr. President, I wish to state my position in respect to the vote I cast on raising the debt ceiling. I feel I have done everything possible to keep the debt down. I voted against what I believe to be unnecessary expenditures and unjustified invasion by the Federal Government of private enterprise, and to the assumption of functions by the Federal Government which have always been performed by local or State governments.

I voted for all the measures mentioned by the Senator from Wisconsin [Mr. PROXMIRE] to close leaks in the collection of taxes. It is for that reason that I voted against lifting the debt ceiling.

I do not subscribe to the idea of fixing a ceiling and then disregarding it and lifting it and spending far above it, and then with great indifference making the ceiling conform to extravagant spending.

Mr. President, I now turn to another subject.

The PRESIDING OFFICER. The Senator from Ohio has the floor.

THE OMNIBUS HOUSING BILL

Mr. LAUSCHE. Mr. President, I wish to withdraw my objection to the second reading of the omnibus housing bill. Previously I raised objection to it. I desire to withdraw it at this time.

Mr. GOLDWATER. Mr. President, due to the fact that the Senator from Ohio has withdrawn his objection to the second reading of the new housing bill, I object to the second reading of the housing bill.

MUTUAL SECURITY APPROPRIATIONS, 1959

The Senate resumed the consideration of the bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments en bloc, with the limitations proposed by the Senator from Arizona.

Without objection, the committee amendments are agreed to en bloc.

The amendments agreed to en bloc are as follows:

On page 2, line 2, after the word "of", to strike out "title I, chapter 1" and insert "chapter I."

On page 2, line 8, after "131 (b)", to strike out "$700,000,000" and insert "$790,000,000: *Provided*, That not less $50,000,000 thereof, shall be available for Spain exclusive of technical cooperation."

On page 2, line 12, after "section 203," to strike out "$300,000,000" and insert "$580,000,000."

On page 2, line 23, after "section 400 (a)," to strike out "$185,000,000" and insert "$200,000,000."

On page 4, line 4, after "section 451 (b)," to strike out "$100,000,000" and insert "$155,000,000."

On page 5, line 12, after the word "exceed", to strike out "$1,000,000" and insert "$1,250,000."

At the top of page 7, to insert a new section, as follows:

SEC. 106. The appropriations and authority with respect thereto in this act shall be available from July 1, 1958, for the purposes provided in such appropriations and authority. All obligations incurred during the period between June 30, 1958, and the date of enactment of this act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms hereof.

On page 7, after line 7, to insert the following new section:

SEC. 107. None of the funds provided by this act nor any of the counterpart funds generated as a result of assistance under this act or any prior act shall be used to pay pensions, annuities, retirement pay or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.

On page 7, after line 13, to insert the following new section:

SEC. 108. Not to exceed 50 percent of the foreign currencies heretofore generated in any country under section 402 of the Mutual Security Act of 1954, as amended, may, notwithstanding prior provisions of law, hereafter be used in accordance with the provisions of that section: *Provided*, That quarterly reports of the use of foreign currencies pursuant to this section shall be submitted to the Committees on Appropriations of the Senate and House of Representatives.

The PRESIDING OFFICER. The bill is open to further amendment.

RAISING THE DEBT LIMIT

Mr. GOLDWATER. I should like to explain my vote against raising the debt ceiling. I have been in business all my life, at least until I came to the Senate. When the credit of a business gets bad, it cannot get a bank to lend it any money. The United States Government is getting into the position where its credit is getting into bad shape. I believe the only way we can stop the ridiculous spending spree that Congress has entered upon is to say to the Federal Government, "There will be no more money for you. Start cutting your suit to fit the cloth." There will have to be an end to the wild, reckless, and ridiculous Federal spending, or there will be an end to the Federal Government.

I have voted consistently, since I have come to the Senate, to cut the budget by means of economizing, and I intend, as long as I am in the Senate, to continue that kind of voting.

Mr. MORSE. Mr. President, I wish to make a brief statement with regard to my vote against raising the debt ceiling, although my reasons may be different from those stated by other Senators.

I am not greatly concerned about an increase in the debt, if the increase is for purposes of eventually increasing the wealth of America.

We have been confronted by an administration which has opposed great self-liquidating and wealth-creating projects. We have been confronted with an administration which has been opposed, for example, to the building of great multipurpose dams which would repay to the Treasury many times their cost, and would conserve the natural resources of the country, and would in the long run increase the wealth of the country far beyond the construction costs of those particular projects.

I have no objection to increasing the debt of this country if it is for purposes which will promote the general welfare of the people of this country.

We are confronted with an administration which has taken a very reactionary line with regard to most pieces of general welfare and social welfare legislation which would accrue to the benefit of the American people.

We have been confronted with an administration which has participated in a handout program to wealthy and vested interests in the country. The administration has favored great corporations with tax loopholes. It has not followed a policy which would save for the American people on those expenditures in respect to which savings should be made. The administration promised in its campaign of 1952 that it would bring about great savings and reductions in the national debt. Year after year the administration has increased the national debt and increased the cost of living along with it.

Mr. President, I opposed increasing the national debt also because as a member of the Committee on Foreign Relations I have warned the Senate for several years of the great waste by the administration in the administration of the foreign aid program, particularly in the field of military aid. We have wasted hundreds and hundreds of millions of dollars in the life of this administration, which have totaled several billion dollars in this field, particularly with respect to military aid. We have an administration which in my judgment has given us an example of further waste, a waste of many millions of dollars, as the final accounting will show, occasioned by the sending of Marines into Lebanon, where not a single Marine should have been sent.

We have seen our country in recent days go through a face-saving process on behalf of the United States, when it is known that behind the scenes at the United Nations most of the members of the United Nations were against the policies we have followed in Lebanon by way of sending troops into that country.

Mr. President, we cannot make those mistakes without a cost of millions and millions of dollars. I do not propose to vote tonight to increase the debt ceiling for an administration which has wasted huge sums of American taxpayers' dollars during its life. It is about time for us to say to this administration, "We will give you no more."

NATIONAL CAPITAL CENTER FOR THE PERFORMING ARTS

Mr. MONRONEY. Mr. President, I was unfortunately absent from the floor of the Senate at the time S.H 3335, for the establishment of a National Capital Center for the Performing Arts, was passed. Because of my interest in the legislation and also in the tenants who will be displaced by the acquition of the land required, I should like to ask the distinguished able manager of the bill on the floor, the distinguished Senator from Michigan [Mr. MCNAMARA] 1 or 2 questions about it, which I hope will be considerd as a part of the legislative history of the act.

As I understand, the bill provides that the National Capital Center for the Performing Arts shall be given a period of 5 years in which private individuals will raise the money for the establishment of the cultural center to be located in the Foggy Bottom area.

Mr. MCNAMARA. The Senator from Oklahoma is absolutely correct about the 5-year period. However, I wish to point out that the Commission now has enough money on hand to purchase the slightly more than one acre which is privately held. The remainder of the property already belongs to the Government. Therefore the purchase may be made at any time.

Mr. MONRONEY. The point about which I was asking the Senator was whether the tenants having small businesses—I have reference to the historic gallery, the waxworks—will be permitted to continue in that location as a lessor from the Government until such time as the property is actually needed for the construction of the Cultural Arts Center.

Mr. MCNAMARA. As I understood the action of the committee, it was that the tenants could remain until such time as the property was actually needed; and, of course, that would involve, as the Senator from Oklahoma points out, raising the necessary funds to proceed with the project. However, I would not encourage the tenants to rely too much on that, because there is an indication that the money will be raised rapidly.

But there is no reason in the world why the tenants should not remain there. They might become tenants of the United States Government and continue as such on a month-to-month basis.

Mr. MONRONEY. Until the contractors are ready to go to work, and the land is needed for the actual construction, the tenants would prefer to re-

main there, if the property were to remain idle, until such time as construction begins. If it is the opinion of the Senator from Michigan that that will be permitted under the bill, I deeply appreciate his courtesy in extending this information to me at this later time.

Mr. McNAMARA. That is definitely my understanding. I am sure the situation will continue in the manner in which the Senator has outlined.

Mr. MONRONEY. I thank the Senator from Michigan.

MUTUAL SECURITY APPROPRIATIONS, 1959

The Senate resumed the consideration of the bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes.

Mr. ELLENDER. Mr. President, I call up my amendment designated 8-28-58-C and ask that it be read.

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The LEGISLATIVE CLERK. On page 2, line 6, it is proposed to strike out "$1,515,000,000" and insert in lieu thereof "$1,415,000,000."

Mr. ELLENDER. Mr. President, I understand that there will be no further votes tonight, and that this amendment will be the pending question for tomorrow.

Mr. MANSFIELD. The Senator from Alabama is correct.

ORDER FOR ADJOURNMENT UNTIL 10 A. M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it adjourn until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

PROPOSED NATIONAL STANDARDS FOR STATE BILLBOARD REGULATION

Mr. NEUBERGER. Mr. President, my office continues to receive many inquiries about the progress toward carrying out the billboard-regulation provisions which were added by Congress this spring to the law authorizing our great new National System of Interstate Highways. The wide public interest in this question will undoubtedly be focused, in the weeks and months immediately ahead, on the proposed national standards which have been prepared by the Department of Commerce, and on the progress of plans in the different States for seeking State participation in the program and acceptance of these national standards.

To make available to the many interested persons some recent materials on this whole subject, I would like to place a series of items in the RECORD today. I shall not include the actual text of the national standards as proposed by the Department of Commerce, because I understand that they will appear in the Federal Register next Monday, August 25, and that the Department will welcome comments and suggestions thereon during the following 30 days, before the national standards will become official in their final form.

I ask unanimous consent to have printed in the RECORD, first, an exchange of correspondence between myself and Secretary of Commerce Sinclair Weeks on August 12, 1958, bearing upon testimony given by Secretary Weeks before the Senate Subcommittee on Public Roads on that date; a letter of August 18, 1958, from Secretary Weeks to me, transmitting the draft of the proposed national standards; press reports on these national standards from U. S. News & World Report for August 2, 1958, and Washington Daily News of August 22, 1958; a letter to the Secretary signed by the able junior Senator from California [Mr. KUCHEL] and me—as the Senate sponsors of the legislation finally adopted—in which we have made certain comments with respect to the provisions in the draft national standards governing "signs in the specific interest of the traveling public," which may be permitted by the States under the terms of the act.

Finally, I ask unanimous consent also to include in the CONGRESSIONAL RECORD an interesting editorial from the Portland Oregonian of August 17, 1958, commenting on the role which the issue of signboard regulation along our spectacular new Interstate Highway System—and the sterling leadership which the chairman of the Senate Subcommittee on Public Roads, the Senator from Tennessee [Mr. GORE], gave in this issue—apparently played in the recent primary election contest in the State which the chairman of the subcommittee does—and will—so ably help to represent in this body.

There being no objection, the correspondence, article, and editorial were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE OF PUBLIC WORKS,
August 12, 1958.

Hon. SINCLAIR WEEKS,
Secretary of Commerce,
Washington, D. C.

DEAR MR. SECRETARY: I regret that an executive session of another committee on which I serve made it impossible for me to attend the meeting of the Senate Subcommittee on Public Roads this morning, at which you and the general counsel of your Department, Mr. Frederick C. Nash, discussed the outlines of your forthcoming set of national standards for the regulation of roadside signboards along the new Interstate Highway System. However, I have reviewed some of the discussion which took place between you and Mr. Nash and members of the committee. As the original sponsor of this legisaltion, I have a number of questions which I would like to present to you in an effort to clarify some of the issues raised since I was unable to ask them in person at this morning's meeting.

First, I would like to express my appreciation for the obviously thoughtful and conscientious work which has been done by the responsible personnel of your Department, seeking to work out effective national standards under this new legaslation. I am partciularly pleased that you have apparently decided to accept the suggestion which I made in my Senate speech on May 13, for the installation by the States of informational boards for pedestrian-sized advertising on the safety rest areas along the interstate highways.

The following aspects of the program appear to require additional clarification:

(1) Questions were raised about the applicability of national standards within municipal areas and other areas zoned for industrial or commercial use under State law. If a municipality or other local governmental unit, in the exercise of its own zoning or police powers, chooses to impose regulations on signboards which meets or exceeds the national standards, is there any question but what an area so regulated may be included by the State within the mileage which may be covered by its statewide agreement with the Department of Commerce?

(2) Obviously, if State legislation exceeds the national standards to be promulgated by you, in imposing even more stringent regulations or even complete prohibition of billboards along interstate highways, that State would qualify for the Federal assistance provided under the new law. Will this fact be spelled out clearly in the statement of standards to be published by your department?

(3) The legislative debate on the bill explains that the mere local sale of brand-name national products—i. e. toothpaste or automobiles—by local dealers is not a local activity permitted advertising within 12 miles of the particular retail outlet. Will this fact be clearly stated in the national standards?

(4) While the law is fairly explicit about the types of signs to be covered by the standards and about their geographic coverage, it states little about the other necessary terms of the agreements. Upon careful analysis, is there any real question but that these agreements may legally contain provisions for the rccovery of the Federal bonus payments, should the State at some future date decide to change its policies, and to abandon billboard regulations consistent with the national standards?

(5) I would like information on two additional matters which do not relate to the national standards but about which I have received repeated inquiries. In view of the remarks of President Eisenhower in signing the Federal-Aid Highway Act of 1958, to the effect that present billboard control provisions have certain shortcomings, does the administration contemplate asking for corrective amendatory legislation at the beginning of the next session of Congress? And what information can you give me about the nature of State legislation which may have been adopted or which may have been drafted for introduction in coming State legislative sessions?

Finally, let me express my approval of your statement that you intend to limit the size of permissible signs to something in the neighborhood of 50 or 60 square feet, rather than to permit the common 24-sheet billboards.

I shall look forward to having the answers to the questions I have asked as early as may be at all possible for you or your associates to provide them.

With good wishes,

Sincerely,

RICHARD L. NEUBERGER,
United States Senator.

THE SECRETARY OF COMMERCE,
Washington, D. C., August 12, 1958.

Hon. RICHARD L. NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: This is in reply to your letter of August 12, 1958, raising cer-

at a price which will appeal to the consumer.

It is necessary to experiment with a batch of berries in order to find out if this is possible, and if present plans are carried out, the company will need an experimental batch of 2,000 gallons. If the juice is high enough, additional purchases will probably run as high as 10,000 gallons.

Success of the experiment can very well turn out to be a big item in the future economy of the region, Patrick Gourneau, chairman of the Turtle Mountain advisory committee, said.

Should the experimental batch come through with flying colors, there is every reason to believe that a steady market for the berries in the future is assured, Gourneau stated.

Two chokecherry receiving stations have been established in the area, one in Belcourt, the other in Dunseith. The company is paying 25 cents a gallon for the batch of experimental berries. If the venture is a success, there will very likely be an increase in the price next year, Gourneau said.

To insure the maximum return of juice per gallon to the company, the berries must be picked at the proper stage of ripeness. Dobervich was in the area to instruct the people when they should start picking.

Berries must also be picked clean and taken to market in the shortest possible time, and when it is necessary to hold berries over a day, they must be stored in a cool place.

To accomodate pickers, the receiving stations have designated 3 days of each week as purchasing days, and 4-gallon capacity picking containers are furnished free by the company and are available at the receiving stations.

People without land wishing to pick berries should get permission of the landowner before commencing the chore, Gourneau advised.

That the Turtle Mountain region is "loaded" with the fruit was proved last weekend when the Julius Peltier family of Dunseith picked 24 cans or 96 gallons.

In summing up the idea behind the venture, Gourneau said, "The berries bought here will be transported to Fargo. There they will be put through a pitting machine and the juice extracted. The juice in turn will be converted into jams and jellies and placed on the market. The company is confident that a waiting market can be found. The whole question hinges on the amount of juice a gallon of berries will produce. If results are satisfactory, we are in business every summer. If results are unsatisfactory, we can still chalk up the venture as a noble experiment.

"Again, if results are satisfactory, we can look forward to a bright future for native fruit. We have other fruit besides chokecherries. Experiments are also planned this year for cranberries and plums. If everything turns out well and we come to realize that native fruit is a resource worth preserving, we will surely lose the urge to set fires each spring which are so destructive not only to native wild fruit, but to wildlife as well."

FEDERAL SCHOLARSHIP AND LOAN BILL

Mr. NEUBERGER. Mr. President, because the Senate has today approved the conference report on the Federal scholarship and loan bill, I ask unanimous consent to have printed in the RECORD a thoughtful article by A. Robert Smith in the Pendleton East-Oregonian of August 15, 1958, which describes some of the benefits that will accrue to educational institutions in the State of Oregon under this legislation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOME FEDERAL AID FOR EDUCATION IS ASSURED

(By Robert Smith)

WASHINGTON.—Oregon's State and private institutions of higher learning would be eligible for about $500,000 to $700,000 annually in Federal funds to offer students in the form of loans, under legislation which passed the House last week and is pending in the Senate, Representative EDITH GREEN, Democrat, Oregon, said she was informed.

The House and Senate bills are similar in most respects, except that the House ruled out giving scholarships to needy students and put the scholarship funds into the bill's student loan provisions.

Oregon colleges and universities would administer the loan funds pretty much as they see fit, determining who qualifies, as long as the students are needy and do satisfactory work. Each institution would be able to receive no more than $250,000 each year from the Government for loans. The institution itself would be required to provide matching funds so that the total loan fund would contain no more than 75 percent Federal funds, no less than 25 percent local funds.

The student who borrows money from the loan fund could obtain no more than $1,000 each year no more than $5,000 for all his years in school. He would be required to repay the loan over a period of 11 years following graduation. While in school he would pay interest on the loan at 2 percent but need not pay any principle during that period. Following graduation, there would be a year of grace. Then for the next 10 years, the rate of interest would be 4 percent.

Each State's allotment under the amount authorized by the bill would be determined by the United States Office of Education by comparing the number of students enrolled in institutions of higher learning in the State compared to the number enrolled nationally.

The Senate version contains $40 million for this program the first year, which would give Oregon about $489,000 that year. The House, by lumping scholarship funds into the loan program, increased this first year figure to $47.5 million.

Then for the next 3 years, the Senate version calls for $60 million annually for loans. Oregon's share each year would be about $600,000 of that amount. But the House has increased the second-year figure to $75 million, of which Oregon would get close to $700,000, the Office of Education told Congresswoman GREEN.

The Senate is expected to pass the bill and retain the scholarship grants for needy students, which will throw the bill into a conference for some sort of compromise. The House knocked the scholarship authorization out by a standing vote, 109 to 78, on a motion by Representative WALTER JUDD, Republican, of Minnesota.

The Senate bill provides for $17.5 million in scholarships annually for 4 years. Needy students could obtain up to $500 annually in these grants, and the institution the student is attending could add up to $500 annually in addition to each student's scholarship.

The House-passed bill also contains authorization for 1,000 fellowships of $2,000 each to train college teachers; $60 million in grants to States for scientific teaching equipment, of which Oregon would be eligible for $619,000 a year; $15 million in grants to improve testing and guidance programs; $6 million for teacher-training institutes in the guidance field, among other things.

Mrs. GREEN, who was on the House Education Committee that drafted the bill, opposed deletion of the scholarship program but felt the resulting measure is a very good bill. It represented real progress, because this is the first time the House has ever passed a general education bill.

She said she thought the scholarship program was important because it would be a congressional indication of the value we place on educational achievement. The scholarship would serve as sort of a prize. It would get students to work just a little bit harder. The scholarship is recognition of scholastic achievement. A loan is just recognition of financial need.

Representative CHARLES O. PORTER, Democrat, of Oregon, took the other position—that loans were more desirable than scholarships.

"I don't regard the prize aspect as very strong," said PORTER. "The student ought to be glad to get a loan. It's an investment in his future. After getting a degree, he will probably have a better job and be able to repay it. And this will mean that the money can then be used by someone else. It will also save the Government a lot of money."

When the Federal aid to education bill comes up in the Senate, an attempt may be made to add an amendment providing for a public school construction program. But Mrs. GREEN said, regretfully, that such a proposal would not gain House approval at this time, hence could not become law.

The Eisenhower administration has made no request for a school construction program this year. The administration has asked for a scholarship program, but of less than half the proportions provided by the Senate bill.

While details remain to be worked out between the two versions emerging from either Chamber, it appears almost certain that Federal aid will this year be launched for the benefit of college students and teachers, if not for teachers and buildings in the elementary and secondary school field of education.

INCREASE IN DEBT LIMIT

Mr. DOUGLAS. Mr. President, I do not wish to detain the Senate much longer, but there seems to be some misapprehension about the reason for the deficit of $15 billion in fiscal 1958–59, and the second request by the administration for an increase in the debt limit.

If the hearings before the Committee on Finance are read, it will be found that I questioned the Secretary of the Treasury very closely on the reason for the deficit. These are the facts. The deficit of approximately $3 billion for 1957–58 is due entirely to the failure of revenues to come up to expectations. There was a decline of $3 billion in revenue below the amount which was budgeted in January. The Secretary of the Treasury, upon being questioned, admitted that the fall in revenues was due to the recession. So the recession caused the deficit of $3 billion for the current year.

Five billion dollars of the projected deficit of $12 billion for the fiscal year 1958–59 is due to an increase in expenditures above the amount contemplated in the budget. But $7 billion of the projected deficit is due to the belief that revenues will fall below expectations; that the revenues will amount to $67 billion instead of $74 billion, as budgeted.

This means that of the deficit of $15 billion, $10 billion will be due to a fall in revenues, not to an increase in expenditures. The Secretary of the Treasury admitted that this fall in revenue was

due to the recession. In other words, it is the recession which has primarily caused the deficit, which in turn has forced the Government to increase the debt limit.

I think that is very important to realize, because all the talk a few minutes ago was to the effect that it was an increase in expenditures which had caused the increase in the debt limit.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MORSE. I think that what the Senator from Illinois has said about the loss of revenue being caused by the recession is true. However, is it not also true that some of the fiscal policies which have been followed by the Government have not been conducive to creating a strong economy?

Mr. DOUGLAS. I quite agree.

Mr. MORSE. In the reasons which I gave, I tried to point out the kind of wasteful policy which has been followed in connection with some of the foreign-aid programs, and the wasteful policy which has been followed in connection with some of the tax loopholes which have accrued to the benefit of some of the vested interests in this country, which have not taken the tax savings and plowed them back into industry at all, but have frozen them and have stopped working them. This, in turn, has had a bad effect on the economy, and has produced less revenue for the economy, and has thus created, in part, the deficit.

Therefore, those who have been fighting for wealth-creating projects and fighting for the abolition of certain types of wasteful military expenditures, have tried to make a fight to strengthen the producing features of our economy.

Mr. DOUGLAS. The Senator from Oregon is correct.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ADDITIONAL REPORTS OF COMMITTEES

The following additional reports of committees were submitted:

By Mr. CHAVEZ, from the Committee on Public Works, without amendment:

S. J. Res. 179. Joint resolution to designate the lake to be formed by the waters impounded by the Dickinson Dam in the State of North Dakota as "Edward Arthur Patterson Lake" (Rept. No. 2494).

By Mr. MAGNUSON, from the Committee on Appropriations, with amendments:

H. R. 13856. A bill making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, and for other purposes (Rept. No. 2495).

By Mr. JOHNSON of Texas, from the Committee on Armed Services, without amendment:

S. 4129. A bill to amend title 32 of the United States Code to permit the appointment of the Adjutant General of Puerto Rico as provided by the laws of the Commonwealth of Puerto Rico (Rept. No. 2496).

ADDITIONAL BILLS INTRODUCED

The following additional bills were introduced:

By Mr. SPARKMAN (for himself and Mr. FULBRIGHT):

S. 4323. A bill to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes; read the first time by its title, and ordered to lie on the table.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE:

S. 4324. A bill to provide for the termination of Federal supervision over the property of the Winnemucca Colony, Humboldt County, Nev., and the individual members thereof, and for other purposes; read twice by its title, and referred to the Committee on Interior and Insular Affairs.

By Mr. COOPER (for himself, Mr. BYRD, Mr. MORTON, and Mr. KEFAUVER):

S. 4325. A bill to authorize the coinage of 50-cent pieces commemorating the establishment of the Cumberland Gap National Historical Park; read twice by its title, and referred to the Committee on Banking and Currency.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO INDEPENDENT OFFICES APPROPRIATION BILL, 1959

Mr. BRIDGES (for himself and Mr. WILLIAMS) submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of Rule XVI for the purpose of proposing to the bill (H. R. 13856), an act making appropriations for sundry executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, and for other purposes, the following amendment, namely, at the end of the bill, add the following new section:

"SEC. —. The Congress hereby requests the President, from time to time during the fiscal year ending June 30, 1959, to review the expenditures programed by the executive branch for such fiscal year and to issue such directives to the Director of the Bureau of the Budget and other officials in the executive branch of the Government as may be necessary to achieve the maximum reduction in the expenditures of the executive branch during such fiscal year consistent with the objectives of maintaining essential Government services, providing adequately for the common defense, and fostering a healthy national economy; all with a view toward achieving an aggregate, of at least 2 percent on defense appropriations and at least 4 percent on other appropriations but not more than 10 percent on any one item, reduction in the expenditures programed by the executive branch as of July 1, 1958, for the fiscal year ending June 30, 1959. Nothing in this section shall be deemed to authorize executive action to decrease expenditures for interest on the public debt, veterans compensation, or pensions, Federal, and State cooperative benefit programs and expenditures from trust funds. A report of action taken under this chapter shall be contained in the 1960 budget."

Mr. BRIDGES (for himself and Mr. WILLIAMS) also submitted an amendment, intended to be proposed by them, jointly, to House bill 13856, making appropriations for sundry executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, and for other purposes, which was ordered to lie on the table, and to be printed.

(For text of amendment referred to, see the foregoing notice.)

APPOINTMENTS TO SPECIAL COMMITTEE TO PRESERVE HISTORIC SENATE DOCUMENTS, ETC.

The PRESIDING OFFICER (Mr. CLARK in the chair). The Chair has been requested by the Vice President to announce the appointment by him, pursuant to Senate Resolution 318 of this Congress, of the following Senators to the special committee to study the feasibility and desirability of preserving selected documents, records, and memorabilia of the United States Senate having historical significance or value:

Senator CLINTON P. ANDERSON, of New Mexico.

Senator WALLACE F. BENNETT, of Utah.

Senator FRANCIS CASE of South Dakota.

Senator MIKE MANSFIELD, of Montana.

Senator HERMAN E. TALMADGE, of Georgia.

ADDITIONAL APPENDIX MATTERS

By Mr. BEALL:

Statement prepared by himself regarding the 1958 Multiple Sclerosis Hope Chest.

By Mr. RUSSELL:

Editorial entitled "Judges Caution Judges," published in the Washington Daily News of August 22, 1958.

Article entitled "The Supreme Court Is Rebuked," written by David Lawrence; and editorial entitled "Supreme Court Critics," both published in the Washington Evening Star of August 22, 1958.

By Mr. COOPER:

Editorial entitled "Aid to Education," published in the Sheboygan, Wis., Press of August 18, 1958.

By Mr. GORE:

Letter written by him to Tom J. Hitch, president of the Tennessee Farm Bureau Federation.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, August 22, 1958, he presented to the President of the United States the enrolled bill (S. 607) to provide retirement, clerical assistance, and free mailing privileges to former Presidents of the United States, and for other purposes.

ADJOURNMENT UNTIL 10 A. M. TOMORROW

Mr. MANSFIELD. Mr. President, I move that the Senate adjourn until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 11 o'clock and 57 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Saturday, August 23, 1958, at 10 o'clock a. m.

Aug 23, 1958

29. FARM-CITY WEEK. Both Houses passed without amendment H. J. Res. 546, designating the week of November 21-27, 1958, as National Farm-City Week. (pp. 17967, 18001-2) This measure will now be sent to the President.

30. MILITARY CONSTRUCTION. Both Houses agreed to the conference report on H. R. 13489, the military construction appropriation bill for 1959, and acted on amendments in disagreement. (pp. 17901-5, 18002-3) This bill will now be sent to the President.

31. SURPLUS COMMODITIES. Received from this Department a report on orderly liquidation of stocks of agricultural commodities held by CCC and the expansion of markets for surplus commodities, pursuant to Public Law 540, 84th Congress. p. 17758

32. FARM PROGRAM. Sen. Symington discussed the feed grain and livestock situation, stating that "because it would appear that we may now be planning disaster, and because there may still be time to avoid it, herewith is presented an analysis of what is facing the feed-grain-livestock segment of our farm economy," and suggested alternative programs for dealing with these commodities. pp. 17766-8

Sen. Morse inserted several articles on President Theodore Roosevelt's views on farm problems, public power, and co-ops. pp. 17780-2

33. GOVERNMENT SECURITY. Sen. Morse inserted several League of Women Voters' letters discussing the Government's loyalty and security program. pp.17778-9

34. FOREIGN AID. Sens. Mansfield and Malone discussed the foreign aid program. pp. 17783, 17803-21

35. ELECTRIFICATION. Sen. Curtis inserted a speech by Sen. Hruska discussing recent improvements in the REA program. pp. 17795-6

Sen. Anderson inserted a summary of Atomic Energy activity during the 85th Congress, including power reactor developments. pp. 17880-1

36. ECONOMIC SITUATION. Sen. Long inserted his statement discussing economic conditions, including tables on consumer and wholesale prices, and interest rates. pp. 17800-3

37. PUBLIC WORKS. Sen. Chavez inserted a statement on activities of the Committee on Public Works during the 85th Congress. pp. 17822-5

38. WATER RESOURCES. Sen. Anderson discussed the record of the 85th Congress in dealing with water resources. pp. 17881-4

39. MEATPACKERS. Sen. O'Mahoney inserted his statement discussing the enactment of H. R. 9020, the packers and stockyards bill. pp. 17992-3

40. ACCOMPLISHMENTS. Sen. Johnson inserted summaries on the accomplishments of Senate committees, and the "legislative record" of the 2nd session of the 85th Congress. pp. 18003-16, 18016-46

41. ADJOURNMENT. Both Houses adjourned sine die. Both Houses passed without amendment H.J. Res. 704, stating that the 86th Congress shall convene at noon on Wed., Jan. 7, 1959. This measure will now be sent to the President. pp. 17989, 18001, 17921

HOUSE - August 23

42. PUBLIC DEBT. Agreed to the Senate amendments to H. R. 13580, the public debt increase bill. This bill will now be sent to the President. pp. 17900-1

43. EDUCATION. Agreed, 212 to 85, to the conference report on H. R. 13247, the national defense education bill. This bill will now be sent to the President. pp. 17905-17

44. FARM PROGRAM. Rep. Schwengel commended the achievements made under this Administration's farm policies. pp. 17959-60

Rep. Thompson, N. J., discussed the accomplishments of the 85th Congress, and the program submitted by 80 House members early in 1957. He stated that the threat of Presidential veto circumscribed their farm program plans. pp. 17982-5

45. VIRGIN ISLANDS. Agreed to the conference report on H. R. 12226, to amend the Virgin Islands Corporation Act, including authority to operate salt water distillation facilities, and continuation of authority for sugar production. p. 17917 This bill will now be sent to the President.

46. FRUITS. On the objection of Reps. Davis, Ga., Byrnes, Wis., and Ford, passed over H. R. 11056, to amend the Agricultural Marketing Agreement Act so as to extend restrictions on certain imported citrus fruits, dried fruits, and nuts. p. 17922

47. MINING. Passed as reported, S. 2039, to clarify the requirements on the performance of labor imposed as a condition for holding Federal mining claims. The Senate concurred in the House amendment. This bill will now be sent to the President. pp. 17924-5, 17877-8

48. FORESTRY. At the request of Rep. Byrnes, Wis., passed over S. 3587, to authorize the Agriculture and Interior Departments to study and report on the advisability of establishing a national park in the Wheeler Peak-Lehman Caves area of the Snake Range in eastern Nev. p. 17924

Passed without amendment S. 3741, to provide regular National Forest status to most lands under the jurisdiction of the Forest Service. This bill will now be sent to the President. p. 17925

49. CROP INSURANCE. Passed as reported H. R. 13262, to eliminate the prohibition against crop insurance being made available to certain counties which do not have wide participation in the program. p. 17925

50. BUILDINGS. Passed without amendment S. 3142, to amend the Federal Property and Administrative Services Act to authorize the leasing of Federal building sites until needed for construction purposes. This bill will now be sent to the President. pp. 17926-7

51. CONTRACTS. Agreed to the Senate amendments to H. R. 11749, to extend the Renegotiation Act of 1951 for 6 months. This bill will now be sent to the President. p. 17905

52. ECONOMIC SITUATION. Rep. Cramer criticized those who recommend "Greater Government spending and sharply reduced taxes" as the cure for economic ills, and asserted that "this Democrat-controlled Congress" was "the highest, most lavish spending Congress in the history of this great Republic." He cited as an example the farm bill, which he stated would have cost $2.5 billion. pp. 17939-42

purpose which is sought to be served in this legislation seems to me to be much more opposite to justice in the case for all parties concerned, the Great Lakes States, as well as the city of Chicago.

Mr. President, I would be less than frank if I did not say a great city like Chicago has our sympathy, because we have enormous problems in the city of New York, and the city of Buffalo, too. That is why I emphasize there is a way out, and the Supreme Court decree has been used before, and continues to present the right way out.

This bill again brings before the Congress a problem which it has considered before on a number of occasions and on which it has twice passed legislation subsequently vetoed by the President. The bill also brings before the Congress a matter which has been before the Supreme Court for more than 25 years. The Court has issued a number of decrees balancing the interests of the many States involved and, as to which the Court retains jurisdiction to act further when such additional action would be required.

The Chicago Sanitary District, after submitting itself to the Court for decisions on this issue and accepting the decisions of the Court when they were favorable, has now again come to Congress for relief which the Court would not grant after considering the interests of all the parties. I seriously question such an approach, particularly in a field covered by such old, established, and basic common-law rules of property as exist in the field of riparian rights.

The long history of conflict with respect to the diversion of water at Chicago should make it clear to all that it cannot be settled by forcing upon the States on one side the solution framed and desired by the parties on the other.

I believe that the present relationships among the interested States established under the decrees of the Supreme Court offer the most equitable balance of interests which can now be achieved. These decrees do not grant to the parties on either side everything they want, but have balanced the legal rights of the Great Lakes States with the admittedly serious sanitary problems of Chicago. Under the present situation the Court could accomplish everything provided for under this bill, including the additional diversion for the purposes of study, should it be demonstrated to the Court that such additional study is really required. I am also convinced that the Department of the Army and the Department of Health, Education, and Welfare could participate in such a study without additional legislation if diversion for study purposes is permitted by the Supreme Court.

If the State of Illinois desires to submit the equity of the city of Chicago in a sympathetic way to the other States, it might invite the other Great Lakes States to convene a little summit conference of governors in order to lay these equities before them and the people of their States.

It is suggested in the committee report on this bill that the Chicago district wishes to divert the additional water for only 1 year during the 3-year period provided for by the bill, and that the tests which would be undertaken offer a new contribution to the problem. This suggestion could well be made to the governors of the other States at a conference of the type I suggest, in order to elicit their reactions to the proposal. Our governors have never been unwilling to discuss the problems of a neighboring State; they are, however, duty bound to protect the property rights and the investments of their States and their citizens.

I believe that to leave this matter with the Supreme Court to examine the equity of the claims of the Chicago Sanitary District would be the best approach for Chicago and for the State governments which have vital interests of power, navigation, and riparian rights involved in this problem. In any case, the Chicago district and Illinois can continue to lay their arguments and equities before the people of their neighboring States in the traditional American way to solve difficulties between the people of different States.

In short, the Supreme Court decree is a safety valve, a way in which justice can be done juridically. I believe the presentation of the equities of the case to the other States also is another avenue which can be used by the Chicago Sanitary District.

We in New York State believe that is the right approach. For those reasons, the State as a whole—I say "we" advisedly, not just myself—have taken a position against the bill.

SENATOR JOHNSON OF TEXAS, MAJORITY LEADER

Mr. FULBRIGHT. Mr. President, will the Senator yield for an insertion?

Mr. PROXMIRE. I yield, provided I do not lose the floor.

Mr. FULBRIGHT. Mr. President, all of us in this Chamber who observe the distinguished Senator from Texas day after day know what a great leader he is. However, it is gratifying, it is encouraging, to find that other discriminating observers also recognize the real merits of our majority leader.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article from the Sunday Times of London.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES DEMOCRATS' POLICY PAYS—SUCCESS BY MODERATION

(By Henry Brandon, representative of the Sunday Times)

WASHINGTON.—The most curious aspect of the session of Congress which is about to end is that while President Eisenhower secured the passage of most of the legislation he asked for, it is the leader of the Democratic majority in the Senate, Senator LYNDON JOHNSON of Texas, who gets most credit for it.

This is not unreasonable. Mr. Eisenhower certainly has gained prestige from his program, his intervention in Lebanon and his address to the United Nations General Assembly, but it is Senator JOHNSON who has emerged as a most astute and powerful politician, not only in the Democratic Party, but in Washington generally.

He has not a creative mind but he is undoubtedly the cleverest parliamentarian in Congress today. He is something of a statesman in his own right and would like to be a kingmaker for the 1960 Presidential elections.

STRUGGLE AVOIDED

Last autumn, everybody expected a bitter struggle between the President and a Congress dominated by the opposition party. But Mr. JOHNSON decided against it. He thought it was better for the inner unity of the Democratic Party and for its standing in the country to exude moderation.

Congress gave the President a 4-year extension of the Reciprocal Trade Act, reorganization of the Defense Department, and extension of unemployment compensation. It agreed to Alaska becoming a State and to sharing atomic secrets with Britain. The Senate saved the foreign-aid bill from being seriously crippled.

Some appropriation requests were even increased above the President's requests. And there was complete cooperation between Democrats and Republicans in staving off a tax cut, which has proved to be sound politics.

WORRIED ABOUT UNITY

Why was Senator JOHNSON so eager to build a record of moderation instead of exposing the President's political weakness? One reason was that he is profoundly worried about the future of the unity of the Democratic Party and wanted to place himself at its helm as a great moderator.

The expectation is that the Democrats will make substantial gains in the autumn elections and that this new blood will be of strong liberal vintage. He is afraid that these liberals will force southerners on to the defensive, especially on the civil-rights issue, or try to dispense with them altogether as Mr. Truman almost did in 1948.

Mr. JOHNSON, in this session, tried to prove that the Democrats can have a united stand as long as it is moderate and that it could, nevertheless, have a great attraction for voters. He is out to disprove that southerners, as northern liberals say, are ballast to the party and that it can regain leadership only if it can make sure of the Negro and labor vote.

The Republicans will have little ammunition for the autumn election campaign. They are bitter and scared now that authoritative word has been passed out from the White House that the President will keep Mr. Sherman Adams at his side.

They are worried that even foreign affairs may turn against them, though the beginning of the withdrawal of marines from Lebanon and Mr. Eisenhower's well-received speech before the United Nations may offset the feeling that the administration has bungled in the Middle East.

What the Republicans are hoping for is that the public continues to be indifferent, that it has not formed any real convictions and that, therefore, Democratic achievements will not weigh so heavily. Senator JOHNSON, on the other hand, has assumed that Mr. Eisenhower's influence and popularity has largely withered away, that it was not so important to fight him destructively as to establish a constructive record for the Democratic Party.

(Senate proceeding continued after House proceedings of today's RECORD.)

House of Representatives

SATURDAY, AUGUST 23, 1958

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Jude 25: *To the only wise God, our Saviour, be glory and majesty, dominion and power, both now and forever.*

Almighty God, our Father, we are again humbly uniting our minds and hearts in the fellowship of prayer to worship and adore Thy great and holy name.

We pray that Thou wilt bestow the benediction of Thy peace and the diadem of Thy praise upon our President, our Speaker, the chosen Representatives of our Republic, and all who have served during this 85th Congress in whatever capacity.

May we have within our hearts the joyous testimony that we have sought to fulfill the duties and responsibilities of our high vocation with a pure and steadfast devotion.

Grant that we may leave this Chamber, commending and committing one another to Thy love and care and with the assurance that where Thou dost guide Thou wilt also provide.

May the Lord bless us and keep us; may the Lord make His face to shine upon us and be gracious unto us; may the Lord lift upon us the light of His countenance and give us peace.

Hear us in the name of the Christ, our Saviour. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGoron, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 13580. An act to increase the public debt limit.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 3683. An act to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 7450) entitled "An act to make the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 applicable to retired former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, and the United States Secret Service; and to their widows, widowers, and children;" disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BIBLE, Mr. PROXMIRE, and Mr. BEALL to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3420) entitled "An act to extend and amend the Agricultural Trade Development and Assistance Act of 1954."

INCREASING THE PUBLIC DEBT LIMIT

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 13580) to increase the public debt limit, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 10, strike out "$285,000,000,000" and insert "$283,000,000,000."

Page 2, strike out lines 4 to 9, inclusive.

Page 2, strike out lines 10 to 13, inclusive.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. GROSS. Reserving the right to object, Mr. Speaker, I wonder if the gentleman will take time to explain what happened in the other body on this measure.

Mr. MILLS. Yes; I will be glad to.

As the gentleman from Iowa and Members of the House will recall, in the form in which H. R. 13580 passed the House of Representatives, the purpose of the bill was to raise the existing permanent debt limit of the United States from $275 billion to $285 billion and, in addition, provide that the limit be temporarily raised to $288 billion through June 30, 1960. The increases contained in the House-passed bill were those which were recommended by the administration, through the Secretary of the Treasury.

The Senate amended this bill in two material respects. First, the Senate version of the bill provides that the existing permanent debt limit be raised from $275 billion to $283 billion, as compared with the increase in the permanent limit under the House bill from $275 billion to $285 billion. Second, the Senate-passed bill provides that the temporary increase under existing law of $5 billion shall continue through June 30, 1959.

The result of the Senate amendments in substance is that the overall debt limit, permanent and temporary, will be the $288 billion which the Secretary of the Treasury requested, and this $288 billion will continue through June 30, 1959. In other words, Mr. Speaker, the Senate has amended the bill so as to provide a ceiling in the amount requested by the administration, but this is accomplished through continuing the present $5 billion temporary increase and adding an $8 billion permanent increase, whereas under the House bill the permanent increase would have been $10 billion, with an additional temporary increase of $3 billion. Under the House bill, the overall ceiling of $288 billion would have continued through June 30, 1960, whereas under the Senate version the overall ceiling, temporary and permanent, will continue through June 30, 1959.

The net effect of the Senate amendment is merely to require the Secretary of the Treasury, in my opinion, to visit Capitol Hill about 30 to 60 days earlier next year than he would have under the House version.

Mr. GROSS. I doubt if the gentleman from Arkansas has spoken a greater truth in his life than that last statement, and of course, the gentleman is always truthful.

There is no rider attached to this bill of any kind; is there?

Mr. MILLS. There is no rider and there is no amendment, other than those I described above, added to the bill during the consideration of it by the other body.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I do so to inquire of the chairman of the Committee on Ways and Means; first: There is no question in the gentleman's mind, is there, that no matter whether we accept the House version or the Senate version, we will have to come back next year and reconsider the debt limit again and without question provide a further increase for the fiscal year 1960, if present spending plans continue?

Mr. MILLS. I regret I must agree with my friend, the gentleman from Wisconsin, in his statement.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. MILLS]?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I have joined my esteemed friend and distinguished chairman, the gentleman from Arkansas, to request that the House concur in the Senate amendments to the bill, H. R. 13580, providing an increase in the public debt limit.

It will be recalled that as this legislation passed the House the present permanent debt limit of $275 billion would have been increased to a permanent limit of $285 billion, with provision for an additional temporary increase of $3 billion through June 30, 1960. In an appearance before the Committee on Ways and Means in behalf of the administration, the distinguished Secretary of the Treasury pointed out the need for the $10 billion permanent increase in the debt limit was occasioned by the fact that he could not foresee our being able to come within the permanent limit of $275 billion by the end of the current fiscal year or even by the end of the succeeding fiscal year. The additional $3 billion temporary increase provided in the House bill was to afford to the Department of the Treasury the latitude necessary to the efficient management of our Nation's fiscal affairs.

The Senate in acting on this legislation provided for an $8 billion increase in the permament debt limit to $283 billion. The temporary increase presently in effect through June 30, 1959, would be continued as contained in present law.

It is my judgment, Mr. Speaker, that the House-passed version of this legislation deals more realistically with the fiscal problems confronting our Nation. This observation is particularly true in view of recent legislation which has been passed by the House calling for the expenditure of additional billions that had not been included in budget estimates. However, the closeness of the adjournment of this second session of the 85th Congress necessitates our acting expeditiously on this legislative measure. It is in the interest of expediting its consideration that I have concurred in the Senate modification.

MILITARY CONSTRUCTION FOR DEPARTMENT OF DEFENSE

Mr. SHEPPARD. Mr. Speaker, I call up the conference report on the bill (H. R. 13489) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. SCHENCK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SCHENCK. Is it possible to object to the consideration of the conference report ?

The SPEAKER. It is not. Under the order of the House, granted by unanimous consent on yesterday, this is a privileged matter.

Is there objection to the request of the gentleman from California that the statement of the managers on the part of the House be read in lieu of the report?

Mr. SCHENCK. Mr. Speaker, I object.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report.

(For conference report and statement, see proceedings of the House of August 22, 1958.)

Mr. SHEPPARD. Mr. Speaker, the total in the military construction bill as reached by the conference committee is $1.3 billion. This is approximately $376 million less than the budget estimates, is an increase of $135 million above the House bill and $366 million below the Senate bill. The conferees have agreed on an appropriation of $6,250,000 for the construction of National Guard armory facilities instead of $28,330,000 as proposed by the Senate. These funds are not tied down to any specific projects but are to be allocated to authorized projects in a priority to be determined by the proper defense officials. The increases agreed to by the conferees above the House bill are, generally speaking, for high-priority projects where additional information was made available to the Senate which was not available at the time of the House hearings. A specific example of this is the funds for the Titan ballistic missile program presently scheduled for obligation some 4 months earlier than was contemplated in the House hearings. The managers on the part of the House are in complete agreement on this conference report and on the amendments to be offered. I urge its adoption without change.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. SHEPPARD. I yield.

Mr. BOLAND. I notice the conference report contains a plethora of new buildings for the National Guard. Can the gentleman tell me what the situation was, recommended by the other body?

Mr. SHEPPARD. The conference report allows $6,250,000 for facilities for the Reserve components of the Army. These funds are not tied down to any specific project, but it is left to the military as to where the improvements shall be made.

Mr. SEELY-BROWN. Mr. Speaker, will the gentleman yield?

Mr. SHEPPARD. I yield.

Mr. SEELY-BROWN. Am I correct in my understanding that the conferees bring in a report which provides additional money for the construction of National Guard armories, but the use of that money will depend upon the decision of the Adjutant General who will decide which of the new ones will get armories?

Mr. SHEPPARD. The answer is "Yes."

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SHEPPARD. I yield.

Mr. BROWN of Ohio. If I am correct, the Senate amended the bill so as to add an item for the construction of an Institute of Technology at Wright-Patterson Airbase near Dayton, Ohio, which has been recommended for some time by the Air Force. If I read the report correctly—and it is very difficult for any Member to know what it does contain—that item was stricken from the bill?

Mr. SHEPPARD. That is correct.

Mr. BROWN of Ohio. In what amendment is that contained, or did the Senate strike it out?

Mr. SHEPPARD. That is amendment No. 6.

Mr. BROWN of Ohio. Amendment No. 6.

Mr. SHEPPARD. Amendment No. 6. The Senate receded on that particular item.

Mr. BROWN of Ohio. Can the gentleman give us any reason why?

Mr. SHEPPARD. In the first place the Senate did not insist on it. In the final analysis, it is not considered necessary to be constructed in this particular period of time. We figured that a year hence they could do the same thing if it was necessary to do so meanwhile a study can be made as to the possible use of existing Government facilities as set forth in the House report.

Mr. BROWN of Ohio. As a matter of record, may I ask the gentleman, as chairman of the subcommittee, will this item be considered by the subcommittee at the next session of the Congress?

Mr. SHEPPARD. If it is contained in the program which comes up in the budget, the answer is obviously "Yes."

Mr. BROWN of Ohio. It was in the budget originally?

Mr. SHEPPARD. Yes.

Mr. BROWN of Ohio. And if it comes up, further consideration will be given to it this coming year?

Mr. SHEPPARD. Yes.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. SHEPPARD. I yield.

Mr. BAILEY. I would like to inquire as to the exact amount of construction money in the armory program.

Mr. SHEPPARD. It is an additional $6,250,000.

Mr. BAILEY. Will you be kind enough to tell me how much there will be available?

Mr. SHEPPARD. They will have available $54,354,000.

Mr. BAILEY. What action did the conference committee take on the Reserve components?

Mr. SHEPPARD. That is what we have been discussing, the Reserve components.

Mr. BAILEY. I thank the gentleman.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SHEPPARD. I yield.

Mr. GROSS. Are there any items in this bill not previously considered by the House?

Mr. SHEPPARD. Yes; there are three items.

Mr. GROSS. The reason I ask the question is that I read in the morning paper that the independent offices appropriation bill which was passed in the House yesterday afternoon contained $100,000 to pay pensions to former Presidents.

I did not know when that bill came before the House yesterday afternoon that that item had been authorized in the bill we passed for the so-called Presidential pension on Thursday, and on Friday the House passed the bill containing $100,000 to implement it.

I am sorry the chairman of the House Appropriations Committee is not present on the House floor—at least I do not see him. I would like to know what hearings were held; I would like to know upon what basis they arrived at the $100,000 figure. We have two former Presidents who I am sure will not benefit by the bill.

Mr. SHEPPARD. I do not know that I can respond to the gentleman's question, for that is not a matter with which I deal.

Mr. GROSS. I regret very much that it was not explained when it was before the House, that the bill contained this $100,000.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Texas.

Mr. THOMAS. May I say to the distinguished gentleman from Iowa that when the independent offices appropriation bill came back for our complete and 100-percent surrender, I carefully stated, and I believe you can check my words in the RECORD, that the bill was exactly like it was when it passed the House, not once but twice, with the exception of two items. The items were: One, minus the amount of $600 million for the civil-service fund, and two, the item for $100,000 to implement the Presidential pension bill.

In reply to the second half of the gentleman's question, how we arrived at that figure, may I say that the legislation authorized $175,000. The gentleman from New York [Mr. TABER], the gentleman from Missouri [Mr. CANNON], and myself, the gentleman from Illinois [Mr. YATES], and the gentleman from Illinois [Mr. VURSELL] took a look at it, and we cut it practically half in two and came up with the figure of $100,000 rather than $175,000.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SHEPPARD. I yield.

Mr. GROSS. Is the gentleman saying that $175,000 was provided in the bill that passed the House last Thursday?

Mr. THOMAS. It authorized a total of $175,000 when you add up the different items; no, I am in error, it was $170,000.

Mr. GROSS. An authorization of $170,000 with only two former Presidents living? That represents some of the fastest footwork I have seen on the part of the Appropriations Committee since I have been here.

Mr. THOMAS. Read it; that is what is authorized.

Mr. JOHANSEN. Mr. Speaker, will the gentleman yield?

Mr. SHEPPARD. I yield.

Mr. JOHANSEN. I wonder if the gentleman could give the House a breakdown of this $100,000.

Mr. THOMAS. Yes; $10,000 to the two widows of former Presidents; $25,000 each to two former Presidents; $50,000 clerk-hire allowance to each, which adds up to a total of $170,000. We cut it in half, not knowing how much would be needed. I think that is a fair compromise.

Mr. TABER. Mr. Speaker, will the gentleman yield me 1 minute?

Mr. SHEPPARD. I yield to the gentleman from New York.

Mr. TABER. I call the gentleman's attention to pages 17634 and 17635 of the RECORD. On page 17634 the gentleman from Texas who just left the floor explained that $100,000 in detail.

On page 17635 the gentleman from Illinois [Mr. VURSELL] explained it in detail. I think that ought to be in the RECORD at this point.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Iowa.

Mr. GROSS. Was that in the statement filed by the gentleman from Texas?

Mr. TABER. Yes.

Mr. GROSS. In the statement that he filed?

Mr. TABER. No. It was in what he said on the floor yesterday. Frankly, I was against what they had in the bill, but it was authorized, and there was nothing to do but provide within reason for its operation. Frankly, the committee thought that the $170,000 was too much and they cut that down to $100,000.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Ohio.

Mr. SCHENCK. Mr. Speaker, in the hearings devoted to this bill on military construction, there was less than one full page of testimony regardng the duties, program, and objectives of the Air Force Institute of Technology. I hold in my hand this morning, Mr. Speaker, the commandant's report for 1957 and 1958, which in itself is 35 pages long. Certainly, the committee did not receive all of the information it should have received in its consideraton of this very important institute that is essential not only to the United States Air Force but to the entire Department of Defense.

Mr. SHEPPARD. I would say to the gentleman, in response to his inquiry, that there were no reservations placed on the military by the subcommittee handling this particular appropriation. They could have made any presentation they wanted to. They had all the time to go into it. If they saw fit themselves to curtail the statement to the degree the gentleman has indicated, of course, the committee had no responsibility for that presentation.

Mr. SCHENCK. If the gentleman will yield further, may I say, without casting any aspersions or reflection upon the personnel of this very fine and able subcommittee of the Committee on Appropriations, I am informed by Air Force officers that because of the lateness of the hour and the approaching noon hour, they were unable to present their entire case.

Mr. SHEPPARD. May I ask the gentleman at this time what particular member of the Air Force gave him that information? I think it is strictly within keeping of good ethics at this time that the committee have this information as to the individual who gave the gentleman that information for this subcommittee has never prevented the Air Force from saying anything they liked on this subject.

Mr. SCHENCK. Responsible officers of the United States Air Force.

Mr. SHEPPARD. We have a lot of responsible officers. Who is the man?

Mr. SCHENCK. They are interested in this program. I do not feel at this time at liberty to give their names.

Mr. SHEPPARD. I have no further comment.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. SHEPPARD. I yield.

Mrs. ROGERS of Massachusetts. I understand that the sites for the armories are spelled out in the bill, is that correct?

Mr. SHEPPARD. No.

Mrs. ROGERS of Massachusetts. They are not spelled out. There is opportunity for other communities such as my city of Lowell to secure an armory?

Mr. SHEPPARD. That is correct.

Mrs. ROGERS of Massachusetts. The gentleman is satisfied that the housing units are not needed at various Army posts?

Mr. SHEPPARD. That is correct. They are not so essential at this time as to be constructed with appropriated funds.

Mrs. ROGERS of Massachusetts. I thank the gentleman.

Mr. MORRIS. Mr. Speaker, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Oklahoma.

Mr. MORRIS. I wish to express deep regret that an item in the sum of $2,544,000 for Fort Sill, Okla., is not included in this report. I certainly fervently hope that the committee will give consideration to this item just as soon as possible in the next session for the reason I feel it is definitely needed.

Mr. SHEPPARD. I can assure the gentleman from Oklahoma that he may make any presentation he sees fit and we will consider it.

(Mr. MORRIS asked and was given permission to revise and extend his remarks.)

Mr. JOHANSEN. Mr. Speaker, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I would like to ask the gentleman, does this bill and this conference report include the San Jacinto item?

Mr. SHEPPARD. No. There is nothing in here for that item.

Public Law 85-912
85th Congress, H. R. 13580
September 2, 1958

AN ACT

72 Stat. 1758.

To increase the public debt limit.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 21 of the Second Liberty Bond Act, as amended (31 U. S. C., sec. 757b), is amended to read as follows:

Public debt limit. Increase. 70 Stat. 519.

"SEC. 21. The face amount of obligations issued under authority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate $283,000,000,000 outstanding at any one time. The current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder thereof shall be considered, for the purposes of this section, to be the face amount of such obligation."

Approved September 2, 1958.

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